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U.S. EFFORTS TO PRODUCE NEUTRON BOMB DESCRIBED AS TERRORISTIC

Beirut FALASTIN AL-THAWRAH in Arabic 16 Feb 81 pp 38, 39, 40

[Article : "Washington Unleashes the Neutron Beast; Western Europe Disapproves; the Soviet Union Issues a Warning"]

[Excerpts] U.S. accusations against the Soviet Union for supporting international terrorism--the world national liberation movements--had hardly stopped flowing when the new U.S. administration carried out its greatest terrorist action [yet]. It threatened to produce and to distribute the neutron bomb, especially in Europe. The terrorristic nature of this action becomes evident in the fact that the Europeans themselves, before everybody else, met [this announcement] with sharp criticism and disapproval both officially and on the popular level.

It is known that the neutron bomb--high radiation nuclear war heads--are the most terrifying and the most deadly of all nuclear weapons. The calculations of U.S. scientists indicate that at least 150 million persons would die during the first stage. This number of deaths will be the result of the first impact only.

The plan to produce this kind of weapon had been announced during the administration of former U.S. President Carter in the mid seventies. However, Carter's administration soon changed its mind following the rejection with which the plan was met in western Europe and the broad campaign of protest that prevailed throughout the world including the United States itself.

Weinberger: Carter was Wrong

The first announcement about the fact that Reagan's administration was inclined towards the revival of plans to produce the neutron bombs and to distribute them in Western Europe was made by Casper Weinberger, the new U.S. secretary of defense during his first press conference early in February. He said that the administration of former President Carter

had made an error by freezing the decision to produce the neutron bomb in 1978. Weinberger said, "I believe that we probably ought to take advantage of the opportunity which this weapon gives us to strengthen our nuclear capability."

A number of U.S. officials who asked that they not be identified then affirmed that there was "a strong possibility" that the United States would spread the neutron weapons in Europe.

The fact is that the extremist military policies of the United States are not acceptable in western Europe. The Brussels Decision which was adopted by the North Atlantic Treaty Organization in 1979 is meeting with increasing opposition in the countries of this region. The decision requires that new medium range U.S. nuclear missiles be stored in western Europe.

The Soviet Union in turn has expressed its extreme concern with the U.S. decision to reopen the discussions about the status of the neutron bomb in western Europe.

In its commentary on the statements of the U.S. secretary of defense, the TASS News Agency stated, "If western Europe accepts U.S. demands in this regard, such acceptance will have extremely negative effects on Europe's relations with the socialist countries.

8592
CSO: 4802

WAR RISK SYNDICATE HOLDS GENERAL ASSEMBLY

Bahrain GULF MIRROR in English 14-20 Mar 81 p 19

[Text]

THE ARAB War Risk Syndicate (AWRIS), which went into operation on January 1, held its first general assembly in Bahrain this week.

The syndicate brings together some 30 national insurance companies in the Arab Gulf states, but Oman, which was a signatory to the agreement setting up the syndicate last year, did not participate.

Several hours of the first session were spent discussing the allocation of votes. The assembly finally approved a formula which avoids giving a controlling interest to any one national group.

Under this formula, Iraqi companies qualify for about 39 per cent of the total votes, although between them they carry more than 54 per cent of the risk retained by AWRIS.

The three Bahraini companies, which share only 1.2 per cent of the risk, qualify for seven per cent of the votes between them. Approximate voting strength of the other national groups is: Qatar 8.5 per cent; UAE 12.5 per cent; Saudi Arabia 13 per cent, and Kuwait 18.5 per cent.

The assembly also approved a 1981 budget of about $250,000, to cover the administrative expenses of the syndicate.

AWRIS handles war risk cover for both hull and cargo, and is administered from Baghdad by Iraq Re-insurance Company. Its own retention, shared among the participating companies, is a maximum of $2.5 million.

The remainder is placed with the London market, but to a much smaller extent in the US and France. Total premium income for 1981 is estimated at $12 million.

CSO: 4820

LONDON PROPERTY ATTRACTING ARABS AGAIN

Bahrain GULF MIRROR in English 28 Feb-6 Mar 81 p 3

[Text]

LONDON residential property is regaining its popularity with Gulf purchasers, claims a major British estate agent.

After turning to American and French property Arabs are coming back to buy flats and houses in London at an average value of £200,000, said a partner of Hampton and Sons estate agents, Mr Hamilton Verschoyle, this week.

Complaints

He added that 30 to 40 per cent of company's business comes from Middle East clients, mainly from Saudi Arabia, the UAE and Kuwait.

Mr Verschoyle explained that in the late seventies, after the 1975 boom when Arabs and Iranians were buying extensively in London, Gulf purchasers looked for property in California, Florida, Paris and the South of France. This trend increased when sterling got stronger and after a number of foreigners had become disillusioned with London and voiced their complaints publicly.

But, said Mr Verschoyle: "We are convinced that Arabs favour London. Even during political tension between Britain and Saudi Arabia we had clients from the Gulf. London is a second home to many people from the Middle East."

Besides Arab's liking for the British capital and their having no language problem there, hotel accommodation is dear, property values in London has been static and at the same time the dollar is showing a tendency to rise.

London estate agents are now rubbing their hands in anticipation of increased interest, if not another boom.

CSO: 4820

GOVERNMENT, ISLAM CONCILIATORY ACTS NOTED

Support from Religious Leaders

Kabul KABUL NEW TIMES in English 29 Mar 81 p 4

[Text]

KABUL, March 29 (Bakhtar).—A large number of religious leaders, elders and working people of the Khulm district in the Samangan province have expressed their "all-out support for the party and the national democratic government in the building of their beloved country."

In a meeting with the governor of Samangan, attened also by a large number of people from the Aibak city, the participants strongly condemned the "treacherous and subversive reaction against the DRA" and expressed their "readiness to struggle for eliminating the enemies of homeland, people and revolution."

The religious scholars, clergy and members of the Islamic organisation of Balkh province have also expressed "all-out support" on March 22 for "the gains of Party and the Government" and reaffirmed "all-out sacrifices for the realizations of the objectives of the Saur Revolution, especially its new and evolutionary phase".

PROPAGANDA

At the gathering, the president of Islamic organisation spoke on the gains of the evolutionary phase of the Saur Revolution and urged the scholars and clergy and members of the Islamic organisation to realize and discredit the "poisonous propaganda of the enemies of the revolution".

After the speeches of the president of Islamic organisation and the president of the court and caretaker of the publicity, extension and education department of the provincial committee of the Balkh province and some religious scholars expressed "joy over the humanitarian policy of the party and the Government" and pledged "all-out sacrifices for the progressive Government."

According to another dispatch from Mazare Sharif, a large number of religious leaders, elders, peasants and working people of the Balkh district of the province firmly supported the proposed establishment of the Vast National Fatherland Front in a meeting with the governor of Balkh recently.

They expressed their "readiness for the annihilation of the thugs and enemies of the honour of the country."

The governor, in his speech, explained the aims of the party and the Government and expressed gratitude for the "patriotic sentiments of the people of the district.

In response, Mohammad Omar and Saed Aidar, two residents of the district, on behalf of others, expressed "all-out support for the progressive Government."

Restoration of Shrine

Kabul KABUL NEW TIMES in English 25 Mar 81 p 1

[Text] Kabul, March 25 (Bakhtar)--The preliminary emergency restoration work on Chardah Masoum shrine was started by the archeology and preservation of the historical monuments institute of Afghanistan recently, in accordance with the cultural policy of the DRA for preservation of religious and historical monuments in the [as published].

The shrine, which is situated in the northern outskirts of Sher Darwazah mountain in Darakhte Sheng, near Kharabat, has been damaged by long years of weathering.

The tombs of Sayed Ali Asghar Masoum, son of Emam Mohammad Baqer, Saleh Mohammad, son of Emam Musa Kazem, and Jamaluddin, son of Miran Mohammad, are sacred to many Moslem compatriots of this country as they were martyred in the cause of Islam.

The original monument was ruined years ago and the new monument was constructed about 250 years ago. The Langar Khana, and part of the inside of the compound belongs to the Ghaznavid style. It is believed that this portion is possibly a part of the original monument.

The holy shrine of Chardah Masoum was originally surrounded by a stone compound with a door leading into it. Although the compound no longer exists, the door slab, with the year 1266 inscribed on it can still be seen.

CSO: 4920

USSR SAID TO PLUNDER AFGHANISTAN OF NATURAL GAS

Amsterdam ELSEVIERS MAGAZINE in Dutch 14 Mar 81 p 39

/Article by N. van Nieuwenhuysen: "Soviets Plunder Afghanistan of Gas and Oil"/

/Text/ The Kremlin is suffering constantly heavier losses in men and equipment in Afghanistan in an unremitting effort to break the resistance of the Mujaheddin guerrilla movement. It was generally assumed until now that Russia was only ready to pay this high price to protect its political interests in the area, now it seems that economic factors are beginning to play just as an important, if not a more important part. Increasingly larger amounts of natural gas are being exported from northern Afghanistan to the Soviet Union at a price of 37 dollars per 1,000 cubic meters; a great bargain, since the world market price at this time still is about 160 dollars. To make matters worse, the revenue which has been sharply reduced by the Soviets does not benefit the Afghan economy, for all income from natural gas deliveries is written off against the costs of military occupation. Since the invasion in 1979, the bill for this purpose has already run up to more than 3 billion guilders. It is an unbearable burden for this country which has 18 million inhabitants and a GNP of only 32 million guilders.

But not only this natural gas attracts excessive Russian interest. For recently conducted geological prospecting in West Afghanistan has indicated there is oil there. And according to estimates, in such large amounts that the Russian geologists supposedly mentioned in their report "an underground deposit which is comparable with that in the Iranian province of Khuzistan."

This is a discovery which is of the greatest significance for the Soviet Union, because it must increase its oil production considerably in the coming decades, if the Kremlin wants to achieve its future economic goals and fulfill its obligations for oil deliveries to poor communist countries.

Russian economic growth in 1980 amounted to somewhat less than 2 percent, while in 1979 it was not over 1 percent. Dismaying figures

when we realize that the new economic plan (1981-1985) mentions growth rates of 18 to 20 percent. If it wants to reach them or even come close, then the Soviet Union must drastically increase the import of grain and industrial technology. The western foreign exchange which is needed for this, can almost only be obtained by increased export of oil and natural gas. The big pipe line contract, in which the Netherlands hopes to be involved, is only an initial effort for that purpose. But in this attempt, the Soviet Union cannot allow a curtailment of its deliveries to communist countries. The CEMA countries are dependent on Russia for at least three-fourths of their energy supply and a reduced flow would lead to a decline of national growth in those countries, with a resulting disturbance of domestic labor tranquility, like now in Poland.

According to oil experts, the source of these problems must be sought especially in the so-called overexploitation of the Samotlor oil fields in western Siberia which account for three quarters of Russian oil, while a shortage of modern technology is viewed as the cause of the reduced production of the other oil fields. The future outlook for the Soviet Union also seems gloomy. According to the chief of the Russian economic planning bureau, V. Pilanovskiy "the Samotlor oil fields have passed their peak and no important new discoveries have been made since 1965."

What is now to be expected? In order to be able to fulfill its necessary obligations, the Soviet Union will have to take, first of all in the short term, coercive measures in the field of energy conservation and use methods which prematurely exhaust the existing oil fields. This cannot produce much and in the coming years, the East bloc will face almost insurmountable problems. A situation which will create international tensions in itself.

In the longer term, so the Russians realize, radical measures must offer an opportunity to drastically increase the energy supply through the rapid development of new oil fields, such as those which now have been discovered in Afghanistan. In order to accomplish this, the grip on this country will be consolidated and de facto annexation is being expedited.

A new, strenuous Russian attempt can be anticipated to improve relations with Iran, in order to get a grip on that country's oil. Party leader, Brezhnev took a first step in this direction at the 26th CPSU Congress, which was recently held. He ignored all the insults uttered until now by the Islamic leaders in Tehran and expressed the hope that "the reconciliation between the two countries which has begun will continue and deepen." With a view to this, the Iranian ambassador in Moscow was given the opportunity to address the Russian people on television, on the occasion of the anniversary of Khomeyni's "Islamic Revolution."

The existing suspicious feelings between these two countries are still great, but economic reasons are forcing the Soviets to conduct a new policy. It is a development in this area, which will force the West to make countermoves. The new American president, Reagan, has already indicated that he intends to resist the Soviets in critical areas. Time presses around Afghanistan in the turbulent gulf area.

B490
CSO: 3105

ASRY ARABIZATION EXCEEDS GOALS

Bahrain GULF MIRROR in English 21-27 Feb 81 p 1

[Text]

ASRY HAS set an Arabisation target of 63 per cent of 1981, after achieving 58 per cent last year. The objective of the OAPEC-owned shipyard's 10-year manpower plan is to employ Arab nationals in 94 per cent of jobs by 1987.

Personnel manager Abdulla Al Emadi this week said local technicians and skilled tradesmen were still in short supply, and Asry fell short of its target of 50 per cent Arabs in this group last year — the proportion was 42 per cent.

But in almost all other areas the progress of Arabisation exceeded expectations, with 68.6 per cent in the skilled, semi-skilled and unskilled craft group as a whole, against a planned 64 per cent, and 32.7 per cent in middle and senior management, against 30 per cent.

Successful

Asry's training department, under the direction of Samir Boutari, notched up over 900 enrolments in its various training programmes and courses. The emphasis is on vocational courses in shipyard trades, with an intake of 120 trainees a year.

Trainees are all over 18, but Mr Boutari said very successful results had been achieved by secondary school drop-outs.

The course lasts four years and the work is fairly arduous: in this context an 18 per cent drop-out rate, almost entirely in the early stages, is regarded as promising.

Women trainees

Junior management training programmes provide for book-keepers, warehousemen, secretaries, clerks and data processors.

In the computer department, at least half the staff and trainees are women, despite the long journey involved for those working at Asry.

Graduates

Mr Boutari said that every trainee had a "career path" mapped out for him, towards a target position within the company. About 30 Asry employees have applied to take part in the government's 10,000 jobs scheme, and 14 have so far been accepted on courses.

Although Asry does not sponsor students on university courses abroad, since the bias of its training is practical, the company does send representatives to discuss career opportunities with Arab students financing their own university education, and five of these graduates joined the company last year.

CSO: 4820

COOPERATION WITH NEW ZEALAND DISCUSSED

Bahrain GULF MIRROR in English 21-27 Feb 81 p 21

[Article by Mary Frings]

[Text]

THE BAHRAIN—New Zealand Storage Company (Banz) is to get a BD4.8 million injection of capital, Bahrain's Minister of Finance, Ibrahim Abdul Karim, announced in New Zealand this week.

This represents a 400 per cent increase, to bring the capital of the inter-government joint venture to BD6 million. The Bahrain government recently bought out three local private sector companies at half price, when Banz faced difficulty in servicing its loans.

Developing

Mr Abdul Karim told his New Zealand audience: "With this new capital structure in mind, we look forward to working in a successful joint venture with your government in this project.

"Trade and investment will no doubt create further opportunities for working together for our mutual benefit. It seems to me that New Zealand and Bahrain have more in common with each other than one might suppose from our geographical locations. For our part we are willing to give it a fair go."

In a wide-ranging review of Bahrain's economy, Mr Abdul Karim said it was misleading to regard Bahrain as an oil producer. "I prefer to describe us as a developing country, with some oil. The increase in oil prices has enabled us to develop our economy faster — but we could have done more if we had had more oil revenue.

"Every Finance Minister knows that there is never enough money for all the desirable social facilities a government wants to provide."

Mr Abdul Karim then described the island's industrial development, and noted that an annual oil production of 18 million barrels a year was equivalent to about two days of Saudi production.

Market growth

He paid particular attention to the growth of Bahrain as an international banking centre, and quoted end of November assets of the offshore banking market of $35 billion. This figure, he said, represented about 4 per cent of the world's Eurocurrency market (which thus emerges as about $900 billion.)

Figures for mid-1980 published by Grindlays Bank group's chief economist, David Ashby, show that at that time Bahrain's share of the Eurocurrency market had grown from 2.3 per cent at the end of 1979, to 2.5 per cent. But the market as a whole has fallen since mid-year, while Bahrain's has continued to grow. Assets of the OBU's at December 31 totalled $37.4 billion.

Sensible

Informed banking sources say they expect a pull-back in January and possibly February, however. The market has been quiet in the face of uncertainty about the fluctuations of the dollar.

Other points from Mr Abdul Karim's speech:

- On the Iran-Iraq war: "Apart from the immediate area of conflict, the reality is of people behaving sensibly and getting on with their lives and business affairs."
- On the PLO: "We in Bahrain welcome the appointment of New Zealand's prime minister, Robert Muldoon, as chairman of the special World Bank Committee on the question of observer status for the Palestine Liberation Organisation."
- On trade with New Zealand: "The quality of your agricultural products is highly appreciated. We already import some $6 million of your products a year, of which 70 per cent are agricultural products. I am also pleased to note the rapid increase in trade in manufactured products, especially electrical equipment."

CSO: 4820

ACTIVITIES OF OPEN-DOOR POLICY COMPANIES DISCUSSED

Cairo AL-AHRAM AL-IQTISADI in Arabic 12 Jan 81 pp 10-11

[Article: "A Total of 326 Open-Door Policy Projects Have Begun Production"]

[Text] The number of open-door policy projects beginning production in the country by 31 October 1980 amounted to 326 projects with a capital of 827.5 million pounds and investment costs of 1,091.6 million pounds and employing 48,323 workers with annual wages of 39.9 million pounds. This has been stated by Dr 'Ala' Khalil, the first undersecretary of the ministry [presumably of economy] and the chairman of the investment sector of the Investment Authority.

The number of projects under implementation amounts to 295 projects with a capital of 945.7 million pounds and investment costs of 2,218.7 million pounds.

The number of recently approved projects is 302 projects with a capital of 1,179 million pounds.

The undersecretary added that that the total number of projects approved to operate inside the country by the end of last October amounted to 923 projects with a capital of 2,952.6 million pounds, with investment costs of 5,717.8 million pounds and with a targeted annual production valued at 3,228 million pounds. The participation of Egyptians in the food security projects during the period from the beginning of January 1980 to the end of October 1980 amounted to 84 percent of the capital of these projects, 78 percent of the capital of the housing and construction projects and 97 percent of the capital of banking projects.

The number of projects that have begun production within the public and private free zones has amounted to 40 projects with a capital of 100.9 million pounds and investment costs of 191 million pounds and employing 5,145 workers earning [annual] wages of 5.8 million pounds. The projects under implementation number 9 projects with a capital of 9 million pounds.

The total number of projects in the public and private free zones has amounted to 326 projects with a capital of 395.7 million pounds and with investment costs of 1,289 million pounds. Egyptian participation in this capital has amounted to 182.44 million pounds representing 46 percent of the total capital. At total of 24 projects were also approved in the period from the beginning of May 1980 to the end of October 1980, with a capital of 40.4 million pounds. Egyptian participation in these projects has amounted to 21.4 million pounds representing 53 percent of the capital.

The number of banks approved has amounted to 57 banks with a capital of 347.7 million pounds. Of these banks, 38 banks with a capital of 213.3 million pounds have already started operating.

The projects approved include 107 tourist companies, 108 investment companies, 53 housing companies, 16 transportation and communication companies, 19 hospitals, 56 agricultural projects, 22 consulting firms, 26 service firms, 43 weaving and textile companies, 67 food industries, 97 chemical industries, 13 wood industries, 51 engineering industries, 48 construction materials and ceramic industries, 9 drug industries, 5 mining industries and 5 petroleum projects.

8494
CSO: 4802

PLAN FOR PETROCHEMICAL PROJECT EXAMINED

Cairo PETROLEUM in Arabic January-February 1979 pp 72-84

[Article by Chemist 'Ali Kamil Fayiz: "Petrochemicals Project: It Is Time to Realize This Hope"]

[Text] Brief Summary on Petrochemicals Project

Consideration has been given since the early 1960's to implementing this project in order to meet the country's needs of the petrochemical products that are not available locally and to enhance the added value of some of the refineries' by-products that exceed the local market needs.

Despite the utmost strategic importance of the project as a base for developing industry in Egypt and for realizing economic independence and in addition to its being a source for increasing the national income and improving the balance of payments, the economic atmosphere prevailing at the time was not convenient for implementing the project.

In recent years, the efforts have been focused on restudying the project on the basis of setting up two independent complexes: One for olefins and one for aromatics. The aromatics project is still in the stage of planning studies. This project seeks to produce (parazilin) at a capacity of nearly 40,000 tons annually at Musturud refinery and then to ship the product to al-'Amiriyah (Alexandria) to process it into (dimethyltriphthalates) at a capacity of 25,000-50,000 tons annually, depending on the need of the units producing polyester fibers.

In view of the enormous size of the project, it has been decided--within the framework of the open-door economic policy--to implement it in partnership with an international foreign firm with deep-rooted experience and a prominent position in this field in order to facilitate the technology transfer process and absorption of the sophisticated technology needed for the project and to secure a part of the vast investments required for the project. Concerted contacts were actually held with numerous such companies with the purpose of finding out the extent of their readiness to participate in the project and to conduct some of the initial economic feasibility studies on it. Those contacts and studies resulted in December 1976 in selecting the Montedison Company, an Italian firm, to enter as a partner in implementing the project.

Phases of Work in Project

The marketing and economic studies conducted have led to the decision to implement the project in three phases, as follows:

First Phase: The following units are to be set up during this phase:

Polyvinyl chloride at a capacity of 80,000 tons annually.

Low-density polyethylene at a capacity of 90,000 tons annually.

High-density polyethylene at a capacity of 40,000 tons annually.

This is to be done on the basis of importing ethylene and monovinyl chloride from abroad.

It is expected that production will begin in 1982-83.

Second Phase: During this phase (still in stage of planning studies), the following units are to be built:

A naphtha steam cracker with a capacity of 200,000 tons annually.

Chloride with a capacity of 50,000 tons annually.

Monovinyl chloride with a capacity of 82,000 tons annually.

Ethyline glycol with a capacity of 30,000 tons annually.

Importation of ethylene and vinyl chloride from abroad will be thus done away with. It is expected that this phase will go into operation in 1986.

Third Phase:

During this phase, the naptha steam cracker's capacity will be raised to 300,000 tons annually and a unit to extract (biotadyene) from B4--which is the raw material needed for the production of synthetic rubber (styrene-biotadyene)--will be set up with a capacity of 30,000-50,000 tons annually. The (polypropylene) unit will also be set up with a capacity of 30,000-40,000 tons annually.

These units are expected to begin production in 1989.

The method of setting up the project in phases is characterized by the fact that it overcomes the difficulties of financing and guarantees the construction of economy-size units that meet the local consumption needs and that are, at the same time, capable of competing in foreign markets. Moreover, the technical experiences gained during the construction of the first phase can be used in the later phases, thus leading to reduced costs and to precision in implementation.

Project's Current Position:

The technical study to select the sites was completed last year and resulted in selecting al-'Amiriyah site (west of Alexandria) for the construction of the project. An area of 350 feddans is currently available for the project and is adequate for the first phase. Efforts are being currently exerted to expand this area to 1,000 feddans to secure the acreage necessary for the second and third phases. Moreover, a complete survey has been conducted for the local market to assess the present and future needs of the first phase products and to determine the technical specifications for these products.

This study has helped to determine the ideal size of the first phase production units and the timing of their operation.

	Needs in Tons		
Product	1977	1982	1990
Polyvinyl Chloride (emulsion)	19,300	52,000	100,000
Low-density Polyethylene	21,500	40,000	80,000
High-density Polyethylene	9,000	18,000	35,000

We notice from the chart that a considerable part of the products will be set aside for export to foreign markets. This is why a contract has been concluded with Montedison Company (which is a partner in the project) to market this surplus through its international sales network. A contact has also been concluded to use the company's commercial relations [section] to guarantee that the markets will receive these products well.

Insofar as the study on the contracts for "the patents and the right to the know-how" needed for the three units is concerned, the choice has fallen on the Montedison Company's method for the production of the polyvinyl chloride (emulsion). This method is distinguished by its low consumption of the raw material (vinyl chloride) and (facilities) and by a high flexibility that makes it possible to produce the types suitable for the various uses of the local and foreign markets. This method is also characterized by a high degree of safety insofar as the danger of environmental pollution and dangers to human health are concerned as a result of the small quantities of waste emanating from operating the unit. This makes it easy to dispose of the wastes by treating them with the proper physical and chemical means.

Insofar as the high-density polyethylene unit is concerned, the choice has also fallen on the Montedison patent which is characterized by low consumption of raw materials and of (facilities) as a direct result of the use of catalysts and spurring agents that are among the latest discovered by science. An initial contract has been concluded with Montedison Company on the patent and the know-how pertaining to these two units.

As for the low-density polyethylene unit, the choice has fallen initially on a number of patents. Contacts are currently in progress with the companies owning these patents so that they may make their offers and so that the offers may be

evaluated and compared in preparation for selecting the best and for concluding contracts on those selected.

The Montedison Company experts, in cooperation with the project, have recently completed the detailed technical and economic feasibility study. This study is currently under discussion and the necessary modifications are being introduced to it in preparation for proceeding from this study in two directions: First, the direction of adopting the measures necessary to form the joint company and to issue the law concerning its establishment and, second, beginning the studies on financing the project and holding contacts and negotiations to obtain the necessary loans.

At the same time, discussions are in progress on the offers made for carrying out the project's engineering works in preparation for concluding the contracts for these works as early as possible.

First Phase Products:

The first phase products, comprised of vinyl chloride and both types of polyethylene, represent the fundamental base for the plastic conversion industries in Egypt.

Polyvinyl is currently used in:

Insulating and coating electric wires and cables.

The popular and sports shoes industry.

Producing synthetic leather.

Producing the piping necessary for the irrigation and drainage networks, water and sewerage networks, piping for all kinds of industrial purposes and piping for electricity cables.

Producing vinyl floors, doors, windows and (Venetian blinds).

Containers for drugs, chemicals and insecticides.

Modern housing requirements.

Low-density polyethylene is used in:

Producing durable bags for packaging nitrogen and phosphate fertilizers, sugar, salt and industrial chemicals.

Producing light bags for general packaging and wrapping purposes.

Insulating and coating telephone wires and cables.

House utensils and children's toys.

Small containers for drugs, foods and various goods.

High-density polyethylene is used in producing:

Food containers (edible oil containers, containers for dairy products).

Industrial containers (containers for mineral oils, lubricants, [plastic] gerryeans, barrels).

Woven bags used for packaging agricultural crops (rice, onions, peanuts, etc.).

Boxes for bottles, fish trays, containers used for gathering produce from the fields and transporting it to the consumption markets.

Some industrial parts, instruments and tools.

Brief Analysis of Local Market Study:

The following chart demonstrates consumption in the medium and long ranges and the expected annual increase rates in specified periods insofar as high and low-density polyethylane, polypropylene and polyvinyl chloride are concerned:

Raw Material	1977	1982	Annual Consumption Increase Rate	1990	Annual Consumption Increase Rate
Low-density Polyethylene	21,500	40,000	+13%	80,000	+ 9%
High-density Polyethylene	9,000	18,000	+15%	35,000	+ 9%
Polypropylene	2,900	11,000	+30%	29,000	+13%
Polyvinyl Chloride (Emulsion)	19,300	52,000	+22%	100,000	+ 8.5%
Total	52,700	121,000	+18%	244,000	+ 9%

The study also shows that the current per capita consumption of these raw materials is nearly 1.4 kilograms annually and that this rate will rise to 5 kilograms with the onset of 1990. This consumption rate represents one tenth the expected annual per capita consumption in Europe in the same period. During the 1977-90 period, the rise in consumption will be the result of plastic products replacing other materials for various purposes. By the end of the 1980's, the rise in consumption as a result of replacement will have reached the point of saturation. Any consumption increase beyond this point will be the result of an increase in the country's national income and of the expected projects emanating from the [current] plans.

The following chart demonstrates the development in the consumption of these materials during the 1970-77 period:

Year	1970		1975		1977	
Product	Ton	Percentage	Ton	Percentage	Ton	Percentage
Low-density Polyethylene	1,600	14.5	11,100	41.4	21,500	40.8
High-density Polyethylene	1,600	14.5	3,200	11.9	9,000	17.1
Polypropylene	400	3.6	700	2.6	2,900	5.5
Polyvinyl Chloride	7,400	67.3	11,800	44.1	19,300	36.6
Total	11,000	100.00	26,800	100.00	52,700	100.00

Main Fields for Plastics Consumption:

The following charts demonstrate the various rates of the ultimate uses of low and high-density polyethylene and polyvinyl chloride (as proposed) by the plan for the production of these products in the petrochemicals project):

First, Low-Density Polyethylene

Uses	Percentage
Durable service bags	55%
Electrical cables	15-20%
Light bags	15%
Injection and other uses	10-15%

Second, High-Density Polyethylene

Uses	Percentage
Packaging boxes	35%
Small containers formed by blowing	20%

Uses	Percentage
Large containers formed by blowing	15%
House utensils	15%
Laminated sheets	15%

Third, Polyvinyl Chloride (Emulsion)

Uses	Percentage
Piping and electricity conductors	45%
Shoes	25%
Cables	25%
Other uses	5%

1. Insofar as high and low-density polyethylene and polypropylene are concerned, there are some observations:

A. The major consumption of polypropylene, 65 percent, is in the production of woven bags. In the absence of other important industries using this raw material, such as an automobile industry, electrical equipment industry, consumer goods, synthetic covers and so forth, the consumption of this raw material in Egypt will continue to be irregular and abnormal.

B. As for the high-density polyethylene, the general picture of the uses of this raw material is regular and normal.

2. The Egyptian market has begun to use polyvinyl chloride and this inclination is connected with the government spending in certain sectors, such as the construction and agriculture sectors, as a result of the plans for the following projects:

A. The investments planned for the construction and development operations and for utilities which will result in the construction of nearly 100,000 new units annually.

B. The long-term plan for the reclamation of 150,000 feddans annually.

Some Observations Resulting From Market Analysis:

First, Low-Density Polyethylene:

1. Some products which can be manufactured, such as garbage bags, are not available in the markets at present and are not expected to be available in the near future. These products represent nearly 20 percent of the consumption in the markets of the advanced countries.

2. The low-density polyethylene sheets used for a number of agricultural purposes and representing nearly 10 percent of the total consumption of this raw material in the European countries are also not available in Egypt. On the other hand, the moderate climatic conditions in Egypt may not permit a major development in this field.

3. The per capita consumption rate of light packaging bags is 0.1 kilogram annually. This figure represents 0.1 of the consumption rate in Europe. It is expected that the per capita consumption rate of this kind of bags will rise to 0.13 kilograms annually.

If we take into consideration the average population growth, the demand for this type of bags will rise in the future at a rate of nearly eight percent.

4. Durable service bag production is one of the most important markets of the low-density polyethylene (nearly 70 percent of the demand). Al-Nasr Fertilizers Company in Talkha is installing five new lines for the production of this kind of bags. When these lines begin production, the market will be saturated and it is not expected that a large increase in the production of such bags will occur after 1982.

5. The big growth and expansion in the production of electric cables, due mainly to the development of telephone cables and to the fact that low-density polyethylene has replaced paper in the production of these cables, will raise the current per capita consumption of this product (a very low consumption rate amounting to 0.02 kilogram annually compared to 0.5 kilograms annually in Europe) to 0.12 kilograms annually.

Chart Demonstrating Production in Volume and Percentages for Each of Various Uses of Low-Density Polyethylene

Year	1977		1982		Annual
Product	Ton	Percentage	Ton	Percentage	Growth Rate
Durable Service Bags	14,900	69.3	35,000	70.7	20 [%]
Light Packaging Bags	3,800	17.7	5,500	11.1	8
Electric Cables	800	3.7	5,200	10.5	45
Other Uses	2,000	9.3	3,800	7.7	13
Total	21,500	100.00	49,500	100.00	18

Second, High-Density Polyethylene:

1. All the common uses of this product are found in the Egyptian market.

2. Blown products [muntajat al-nafkh] in Egypt, as in Europe, are considered the main market (representing nearly 45 percent of the demand for the raw material). Consequently, the current per capita consumption of high-density polyethylene is 0.11 kilograms annually. If we take into consideration the national income growth rate and the population growth rate, the per capita consumption rate will amount to 0.16 kilograms annually in 1982.

3. The injection products [muntajat al-haqn] used in packaging (plastic boxes and cages fundamentally) occupy second place in terms of importance and demand for the high-density polyethylene products (representing nearly 22 percent of the demand). Despite this high percentage, the per capita consumption is 20 times less than what it is in Europe.

This is due fundamentally to the high investment costs needed for high-capacity machinery, in addition to the fact that the molds used in blowing are still imported from abroad.

As a result of the plans to expand the use of cages and boxes in packaging [soft] drinks and agricultural products, it is expected that the annual growth rate [in demand for these products] will rise sharply in the near future (30 percent annually). As a result, the per capita consumption will rise from 0.05 kilograms [words missing] in 1982. In this case, the consumption will rise to approach the consumption rate in Europe, rising to a ratio of 1:7 instead of 1:20.

4. In view of the advantages of using high-density polyethylene for home purposes because of its low costs and its efficient performance, its use for these purposes represents an important part of the consumption of this raw material (23 percent of the total demand). Moreover, the annual growth rate of this kind of consumption (15 percent) is considered high.

For these reasons, the per capita consumption rate in 1982 will amount to 0.1 kilogram [annually] and this is considered close to the similar consumption rate in Europe.

Chart Demonstrating Production in Volume and Percentages for Each of Various Uses of High-Density Polyethylene

Year	1977		1982		Annual
Product	Ton	Percentage	Ton	Percentage	Growth Rate
Containers formed by blowing	4,000	44.4	6,850	34.2	12 [%]
Containers formed by effusion [al-bathq]	1,950	21.7	7,200	36.0	30
Home purposes	2,050	22.8	405	20.2	15
Other purposes	1,000	11.1	1,900	9.6	14
Total	9,000	100.00	20,000	100.00	17

Third, Polypropylene:

1. As a result of the absence of some of the ordinary markets for polypropylene, especially in the fields of transportation, electrical equipment, floor covers and so forth, the demand for polypropylene remains limited and restricted to its use for home purposes and some other minor purposes, such as woven bags.

2. The increase in the demand for polypropylene in the future will only be the result of increased production of woven bags which will amount in 1982 to 77 percent of the total consumption of polypropylene, or nearly 10,000 tons.

If we take into consideration the strong competition posed to polypropylene in the field of woven bag production by the high-density polyethylene, then one third this volume (i.e. nearly 3,000 tons) of polypropylene can be replaced by high-density polyethylene.

Consequently, the real consumption of polypropylene in the production of woven bags will, as estimated for 1982, amount to only 7,000 tons of the total consumption of polypropylene, amounting to 11,000 tons in 1982.

Chart Demonstrating Production in Volume and Percentages for Each of Various Uses of Polypropylene

Year	1977		1982		Annual
Product	Ton	Percentage	Ton	Percentage	Growth Rate
House utensils	2,200	15.8	5,700	19.00	21
Polypropylene tape	400	13.8	900	3.00	15
Woven bags	150	5.2	(23,000)	76.7	
General Containers	150	5.2	400	1.3	22
Total	2,900	100.00	(30,000)	100.00	

NB: ( ) signifies as yet uncertain projects.

Some Reasons Due to Which It Has Been Decided to Build High-Density Polyethylene Unit Instead of Polypropylene:

1. There is a very strong similarity in the applied uses of both high-density polyethylene and polypropylene.

Formation by blowing: High-density polyethylene is used for the manufacturing of most products formed by blowing and can be replaced by polypropylene in only 10 percent of these products at the most. If we take into consideration the fact that formation [production] by blowing constitutes a considerable part of the plastics market in Egypt, the importance of high-density polyethylene in this regard becomes obvious.

Formation by injection: Both high-density polyethylene and polypropylene are similar in their applied uses insofar as formation [production] by injection is concerned, with the exception of some products that require special or distinctive qualities and these products constitute a very small percentage.

Fibers: Most of the applied uses of the polypropylene are in the sphere of fibers and it is not expected that this kind of production will have a big market in Egypt.

2. The current market for high-density polyethylene (9,000 tons in 1977) is larger than the market for polypropylene (2,900 tons in 1977). This is in addition to the problems emanating from the difficulty of converting consumers to the use of high-density polyethylene [sic].

3. Construction of the high-density polyethylene unit will be more realistic in view of the inevitability of importing ethylene from abroad for use as a raw material in the low-density polyethylene unit.

4. The lower costs of polyethylene products than the costs of similar polypropylene products.

5. In the markets close to Egypt in North and East Africa, we find that the market for high-density polyethylene is bigger, is growing more rapidly and is more flexible than the polypropylene market.

Fourth, Polyvinyl Chloride (Emulsion):

1. It is evident that the local production of compounded polyvinyl chloride is not enough to meet the local market needs. However, there are plans to add a number of polyvinyl chloride production units, in addition to improving the efficiency and capacities of the existing units in order to realize a balance between the production and consumption insofar as this raw material is concerned.

The following chart provides a general picture of consumption in the basic industries when operating at maximum capacity:

Year	1977		1982		Annual Percent Growth Rate (1977-82)
Product	Ton	Percentage	Ton	Percentage	
Shoes	9,000	46.6	18,500	27.4	15
Electric cables	5,400	28.0	14,000	20.7	21
Piping & electricity conductors	2,800	14.5	3,000	44.5	60
Other products	2,100	10.9	5,000	7.4	19
Total	19,300	100.00	67,500	100.00	28

2. It is to be noted that a number of semi-processed products, such as solid sheets, plates and (brufilat) have been neglected even though they are popular in other markets. This has to do with the large investments needed for the machinery necessary to manufacture such products, including the (Calendar) machine for the production of plates. It also has to do with the small demand for these products.

Moreover, the climatic conditions have a big impact on limiting the consumption of such products as [plastic] window and door frames.

3. In view of the following considerations:

A. The plans to invest in the near future in the construction of 100,000 [housing] units annually;

B. The long-term plan to reclaim 150,000 feddans annually;

C. The specifications of the piping and electrical cables to be consumed in each unit.

We find that with the onset of 1982 Egypt will be a big consumer of compounded polyvinyl chloride and will use nearly 30,000 tons of the substance annually to produce piping, cables and electricity conductors. We conclude from this that 65 percent of the consumption of polyvinyl chloride in the medium range will be channelled toward building and construction and toward agricultural activities.

4. As a result of implementation of the new plans and projects, the patterns of demand for compounded polyvinyl chloride will change in favor of the solid polyvinyl chloride compound, as demonstrated below:

Year	1977		1982	
Raw Material	Ton	Percentage	Ton	Percentage
Polyvinyl chloride (in putty form)	16,500	85.5	35,500	32
Polyvinyl chloride (solid form)	2,800	14.5	32,000	48

Production of Compounded Polyvinyl Chloride (in Putty Form) Locally:

Project planners hope that the new projects or expansions in the existing projects will be able to meet the Egyptian market's consumption of this raw material and to transform the current net imports of 10,000 tons annually in the foreign trade balance into an export of several thousand tons annually as of 1982.

It is expected that the consumption of (resinous) polyvinyl chloride will amount to 70,000 tons annually (100 percent resinous polyvinyl chloride) distributed as follows:

Year and Volume	1982	
Type of Product	Ton	Percentage
Polyvinyl chloride for plastic compounds	38,000	54
Polyvinyl chloride for solid compounds	32,000	46

But in view of the fact that the 1977 figures are consumption figures and the 1982 figures pertain to plans for production at full efficiency and in view of the fact that the actual production is estimated at a little less than 80 percent of the announced capacity, it is expected that the needs for resinous polyvinyl chloride (emulsion) will amount to nearly 52,000 tons of 100 percent resinous polyvinyl chloride in 1982.

The average annual growth rate in the 1977-82 period will amount to 22 percent.

General Observation on Ultimate Uses of Plastics:

There are some observations regarding the ultimate uses of the abovementioned raw materials:

A. Packaging:

Plastics used for packaging purposes amount to nearly one half the total consumption of these raw materials and this rate will persist in the future.

The most important products manufactured from these raw materials include durable service bags which are manufactured from low-density polyethylene (represent one half the total consumption for producing packaging goods in 1977 and 1982). This product is used basically for packaging fertilizers, chemicals, sugar, rice and so forth.

There is another product, namely the containers produced from high-density polyethylene by blowing--such as [plastic] gerrycans and small containers for packaging oils and industrial detergents. It is expected that there will be an annual average growth rate of 22 percent in the consumption of these small containers.

Plastic boxes for packaging bottles: It is noticed that this type of boxes has begun to replace wooden boxes in the packaging of [soft] drink bottles. It is expected that the annual growth rate will amount to nearly 30 percent.

It is difficult to expect an increase in the use of polypropylene for the production of woven bags (because the production amounts to 200 million units) and this figure represents twice the actual needs.

Even if we assume that 80 percent of the hemp sacks are imported and that there is a crisis in the factories and countries manufacturing this product, there are still some reasons (the availability of the usual alternatives, the ultra-violet rays [sic], the disintegration of these bags [made of polypropylene] and the entry of high-density polyethylene as a rival to the polypropylene) that cause the use of polypropylene in the production of woven bags to be limited.

Polypropylene consumption for this purpose will not exceed 7,000 tons annually by 1982.

B. Construction Activities:

Electricity cables made of polyvinyl chloride and low-density polyethylene are processed products produced in large quantities in the Egyptian market. It is ex-

pected that the annual growth rate of this industry will amount to 25 percent due basically to the [demand for] telephone cables produced from low-density polyethylene.

The large growth in the consumption of solid polyvinyl chloride piping in the building and construction activity is due to several factors, the most important of which are:

The future construction plan.

The operations to reclaim and irrigate new lands.

The small local production of [metal] piping of large dimensions (the biggest diameter produced at present is 2 inches). Therefore, it is expected that polyvinyl chloride consumption in this field will amount to nearly 25,000 tons annually.

C. Shoes:

The consumption of polyvinyl chloride in the shoe industry, compared to the other crude plastics, is reasonable, amounting to 17 percent. Polyvinyl chloride is also second to low-density polyethylene in the production of durable service bags.

No increase in the use of polyvinyl chloride in this sphere is expected in the future in view of the fact that the Egyptian market is saturated with this product.

D. Other Uses:

The use of polypropylene and of high-density polyethylene in the production of home utensils is one of the effective uses and amounts to 10 percent [of the total consumption of these two materials]. It is expected that the volume of polypropylene and of high-density polyethylene used for this purpose will amount to 10,000 tons in 1982.

Production Capacities of Crude Plastics Under Study (Current and Planned for 1982)
Distributed Over Public and Private Sector Factories

First: Public Sector

Year	1977					1982				
Product / Name of Company	Low-Density Polyethylene	High-Density Polyethylene	Polypropylene	Polyvinyl Chloride	Total	Low-Density Polyethylene	High-Density Polyethylene	Polypropylene	Polyvinyl Chloride	Total
National Plastics	8,200	2,000	500	1,600	12,300	10,000	3,000	600	14,100	27,700
Electrical Cables	800	--	--	4,450	5,250	2,600	--	--	7,850	10,450
Modern Plastics	150	1,200	150	1,400	2,900	250	2,000	350	1,700	4,300
Sata	--	--	--	2,350	2,350	--	--	--	2,600	2,600
Drug Containers	350	1,300	--	100	1,750	500	2,100	--	1,300	3,900
Qarta	1,200	--	--	--	1,200	1,800	--	--	--	1,800
Military Plant 63	--	--	--	500	500	--	--	--	650	650
Al-Nasr Drugs	--	250	--	--	250	--	600	--	50	650
Canaltex	--	--	--	--	--	--	--	--	50	50
Al-Nasr Fertilizers	--	--	--	--	--	8,000	--	--	--	8,000
Salt and Soda	--	150	--	--	150	--	350	--	--	350
Total (Public Sector)	10,700	4,900	650	10,400	26,450	23,150	8,050	950	28,300	60,450

Following Figures Private Sector Factories' Consumption of Crude Plastics in Case of Operation at Full Capacity

Second: Private Sector

Year	1977					1982				
Product / Name of Company	Low-Density Polyethylene	High-Density Polyethylene	Polypropylene	Polyvinyl Chloride	Total	Low-Density Polyethylene	High-Density Polyethylene	Polypropylene	Polyvinyl Chloride	Total
Himaplast	3,000	--	--	--	3,000	7,500	--	--	--	7,500
Silisco	1,500	500	100	450	2,550	3,000	1,000	200	850	5,050
Al-Mahdi Plastics	800	800	--	250	1,850	2,550	1,300	--	2,000	5,850
Middle East Plastics	950	700	150	50	1,850	2,000	1,500	450	150	4,100
Al-Sharif	300	--	1,150	--	1,800	1,000	--	(14,600)	8,500	(24,100)
Al-Nasr	--	--	--	1,600	1,600	--	--	--	4,500	4,500
Safaplast (enriched)	--	350	--	1,100	1,450	--	350	(4,000)	5,000	(9,350)
Zarqaplast	1,050	300	--	50	1,400	2,500	700	--	150	3,350
Al-Shanti	300	--	--	800	1,100	300	--	(1,700)	1,100	3,100
Cairoplast	--	--	--	650	650	--	300	--	1,000	1,300
Al-Halabawi	100	200	300	200	800	150	300	500	300	1,250
Arab Economic	--	--	--	650	650	--	--	--	1,300	1,300
Abu-al-Dhahab	--	--	--	650	650	--	--	--	650	650
Plastoplex	500	100	--	--	600	1,000	200	--	--	1,200
Al-Qinawi	300	300	--	--	600	300	650	--	--	950
Izzah Plastics	350	80	--	170	600	600	150	--	200	950
Amin Plastics	--	--	--	250	500	--	--	--	300	300
Cairo Scientific	--	--	--	350	350	1,000	--	--	4,900	5,900
Lashin	200	--	150	--	350	500	--	(1,000)	--	(1,500)
Ramsis Plastics	415	50	--	--	465	--	50	(300)	--	(350)
Plasticana Factory	300	--	--	--	300	1,000	--	--	--	1,000
Total (Private Sector)	10,065	3,380	2,200	77,220	33,119	23,400	6,500	22,750	30,900	883,550 [sic]

Second: Private Sector (continued)

Year	1977					1982				
Product Name of Company	Low-Density Polyethylene	High-Density Polyethylene	Polypropylene	Polyvinyl Chloride	Total	Low-Density Polyethylene	High-Density Polyethylene	Polypropylene	Polyvinyl Chloride	Total
Wanani-plast	--	--	--	250	250	--	--	--	700	700
Hamid 'Amir	100	60	--	50	210	150	350	200	550	1,250
Arabco	--	--	--	200	200	--	--	(5,000)	800	(5,800)
Muhammad Mahmud Sons	--	--	--	200	200	--	--	--	300	300
Al-Nil Shoes	--	--	--	200	200	--	--	--	200	200
Al-Salam	100	50	--	20	170	200	150	--	50	400
Saku	120	30	--	--	150	140	50	--	--	190
Solitex	--	--	--	150	150	--	--	--	150	150
(Shiver-Man)	100	--	--	30	130	250	--	--	100	350
Miat Trade	--	50	50	--	100	--	100	100	--	200
Lima Plastics	100	--	--	--	100	200	--	--	--	200
Modern Plastics	50	10	--	--	60	100	50	--	--	150
'Izzah Plastics	--	--	--	50	50	--	--	--	100	100
Eastern Plastics	15	--	--	--	15	10	--	--	--	10
Matin Jack	--	--	--	--	--	--	900	(1,000)	--	(1,900)
Seven Up	--	--	--	--	--	--	1,750	--	--	1,750
(Jetco)	--	--	--	--	--	1,600	--	--	1,600	3,200
(Ekon)	--	--	--	--	--	--	--	--	1,700	1,700
Port Said Plastics	--	--	--	--	--	300	600	--	--	900
Arab Translator	--	--	--	100	100	--	--	--	700	700
Other Companies	150	520	--	430	850	--	1,500	--	1,350	2,850
Total (Private Sector)	10,800	4,100	2,250	8,900	26,050	26,350	11,950	29,050	39,200	106,550

( ) Signify Uncertain Projects

BRIEFS

PRIVATE SECTOR CREDIT FACILITIES--The number of private sector clients who each obtained credit facilities valued at more than one million pounds from commercial banks, investment and business banks and specialized banks amounted to 251 clients in 1979 compared to 138 clients obtaining such credits in 1978. The value of the credit facilities given to the private sector clients in 1979 amounted to 955.3 million pounds representing 64 percent of the total credit facilities given to the private sector clients [sic] compared to 482.6 million pounds representing 56 percent in 1978. The 1979 credits were concentrated in the industry, commerce and service sectors. The value of the credits acquired by the industrial sector amounted to 501.8 million pounds, of which 141.3 million pounds went to the weaving and textile industry and 91.3 millions went for the building and construction industry. The value of the facilities obtained by the commerce sector amounted to 325 million pounds. The value of the credit facilities acquired by the private sector for the service projects amounted to 62.1 million pounds and of the facilities acquired by the private agricultural sector amounted to 3.9 million pounds. These figures are according to the Central Bank report for 1979. [Text] [Cairo AL-AHRAM AL-IQTISADI in Arabic 3 Nov 80 p 9] 8494

CSO: 4802

AMERICAN MERCENARIES ALLEGEDLY TRAINING LIBYAN ASSASSINS

Baghdad AL-THAWRAH in Arabic 24 Mar 81 p 7

[Text] Washington 24 March--AP, ANA--The U.S. State Department announced last night that Secretary of State Alexander Haig has ordered an investigation of news reports stressing that American mercenaries are taking part in training and supporting Libyan elements specializing in assassinations.

A spokesman of the U.S. State Department said that Haig ordered State Department officials to cooperate with other government departments in investigating these reports which were published in the BOSTON GLOBE in the form of an inquiry yesterday.

The BOSTON GLOBE also said that American government agencies took part in assembling and shipping weapons to Libya, and that official circles in the U.S. have facilitated the purchase by Colonel Qadhdhafi of U.S.-made weapons on the international market. The BOSTON GLOBE hinted that these circles, estimated by the newspaper to include some 50 persons, are acting with the knowledge or rather with the encouragement of their superiors in the American Administration.

It is known that 11 Libyan citizens living in Europe were killed by Libyan Intelligence last year.

In Madrid, newspaper reports disclosed today that American elements which used to work for the CIA are now working as military experts in the service of the Qadhdhafi regime.

The newspaper DIARIO 16 reports that elements from the CIA, the special forces [as published] and certain American companies have organized themselves under the cover of a corporate structure which offers consultan services [to Libya], affirming that more than 12 Americans are now in Libya for this purpose and to cooperate with Qadhdhafi.

The newspaper [DIARIO 16] expressed its belief that CIA elements have taken part in the operation to assassinate 11 Libyan citizens (who belong to nationalist elements opposed to the Qadhdhafi regime) in Europe last year.

CSO: 4802

PEACE TREATY AIDING ISRAELI ARAB MODERATION

Tel Aviv HA'ARETZ in Hebrew 2 Feb 81 p 12

[Article by 'Atallah Mansur: "Following Lands Day"]

[Text] The most pragmatic question regarding today's mood among the Arab citizenry should be, in my view, to consider the influence of the opening of the borders of Israel on the Arabs in the villages of the Galilee and of the Triangle. These villagers had formly believed that their lives in Israel are no lives at all, that their problems are difficult and severe and that the services in their communities were backward. But thousands of Arab citizens who in the past year have left for Egypt are returning with mixed feelings. During their visit they became aware of the wide gap between the village of Israel and the Egyptian village, both from the vantage point of the sight of the village as well as from the point of the standard of living and the services. The single conclusion that can be drawn therefrom is: the villager in Israel lives under better conditions than those of his brethren in Egypt.

It is clear that those who persist in ignoring reality are able to shift the blame to the Egyptian regime, and the president who is embroiled with the PLO (and RAKAH) indeed is the subject of a bad press among leftist Arab circles both in Israel and in the Territories. Nevertheless, it would appear that the opening of the border with Egypt has impelled and is impelling Arab citizens in Israel to moderate their stands, and is convincing the circles of "the resenters" to see things in a balanced perspective. It appears that the first test for change in mood will come with the forthcoming elections to the Histadrut General in April.

A Photograph From Lands Day

But today we have a scientific study of "The Orientation and the Politicization of the Arab Minority in Israel" which was conducted by Dr Sami Smocha, a member of the University of Haifa, a few months after Lands Day, that is, in the summer of 1976, more than 4 years ago. The major defect of the study is that its content became obsolete even before it was completed. It seems that it photographs a scene which existed after Lands Day (in which 5 Arab protesters against the expropriation of lands were killed, and tens were injured, in the most violent clash in the history of the existence of the State between security forces and Arab citizens, except for the crime at Khassam Village 1956).

The effect of Lands Day is keenly sensed in the findings of the study. "The Committee for Defense of the Lands takes first place in the most representative and reliable organization on the part of the Arab respondents; but this body does not function independently, and the prominent leaders of the Committee: the priest Shahada Shada of Shfar'am, Tzliva Hamis, a veteran RAKAH activist, and the attorney Muhammad Mia'ary of Haifa certainly are not recognized (as a group or singly) to half the Arab citizens. Thus, the massive expression of loyalty which was extended by the majority to the Committee is perforce fictitious. It is possible that the Arab students who conducted the survey invented answers to agree with their viewpoints, or that the questioners and the respondents confused the actual with the desirable.

Dr Smocha did not content himself with an attempt to determine the mood among the Arabs. He wanted to conduct comparisons with the Jewish sector, but "for budgetary reasons" was aided by a small sampling of Jews (144 persons), as compared with 722 Arabs, he admits that this limited and placed a defect upon the degree of reliability of the "Jewish" portion of his findings. But even his findings regarding to the Arab minority are cause for amazement.

On page 26, for example, in his study he reports that 0.07 percent of the Arabs employed are members of kibutzim, while it is known that there is not in the entire kibutz movement even one Arab kibutz member (who has not converted officially, or in effect). On page 24 there is an even more sensational chart. The Arabs, so it is explicitly stated, see the decisive factor in their future by the same criterion which is required to achieve social status in Israel. They see in education the most vital factor (55 percent of the Arabs, and 51 percent of the Jews).

"The Arabs appear to remove themselves from the traditional factors which determine position, family and landed status," the study establishes from the heights of Olympus on the Carmel on the strength of answers supplied to it by the young fervent students to prove that their society "achieved" the ideal about which they read and hear. But every child in Nazareth, Shfar'am, Tayba, and 'Um al-Faham can tell Dr Smocha that the Hamula is a sacred value to the majority of the Arab public; and that the recommendation--"pull"--is almost the sole way to progress in society and in position and influence. Even in the "democratic front" of RAKAH--which is said to be the bearer of social progress--the Hamula representative who has difficulty in writing a letter in his mother tongue is preferred over the university graduate.

Extremism?

In the study there have been mixed in names of Arabs from that branch which is not sympathetic to the students of Dr Smocha. Sa'if al-din Zo'abi, former Knesset member, has acquired a new name Abd al-Sa'if, and we "learn" that he resigned from the Knesset because of the extremism in the Arab sector. But it is a fact that Mr Zou'abi applied officially to the chairman of the Knesset several months before the publication of Dr Smocha's book and requested that his resignation be withdrawn, because it was given in accordance with a rotation agreement which his successor to the seat, Knesset Member Hamad abu Rab'iya is not prepared to honor. The

chairman of the Knesset rejected the request. Shaykh Abu Rabi'a was murdered and the rest is known, but the study of Dr Smocha tells another story.

The question of extremism is the main topic toward which the study is directed. The inerviewers propounded 225 questions to people who were included in their representative sample. Eighty questions related to the life style of the respondent, 25 questions to educational problems, 30 dealt with background (of whom?) and 90 questions with Arab-Jewish relations. The questions themselves were not included in the book for reasons of budget and space, but I investigated and found that the most specific question in the topic on the matter of "the right of existence of the State of Israel" was formulated in am ambiguous manner (unintentionally, according to what Dr Smocha told me). A reader of the question is unable to determine whether the intention is for the right of the establishment of the State in 1948, or for the right of its existence in 1976. Dr Smocha agrees that the formulation is unclear but holds to his opinion that in any case the question and the findings are very significant.

What response did the Arab interviewees give? Fifty percent saw the existence (or the establishment) of the State as justified, 25 percent were doubtful, whereas an additional 25 percent were opposed. Why? Are they working or are they prepared to work toward the actualization of their belief. By what methods, and when? 18.9 percent advocate use of force, unequivocally, as a means of improving the condition of the Arabs in Israel. Do these aspire to the destruction of Israel, or do they merely want a struggle to achieve an improvement of the condition of the Arabs in the State? This is not possible to learn from the study, and even had such a question been asked, it is doubtful that we would have received an honest answer. Despite this, the experience of the past 15 years teaches that from the time that the FATAH began terrorist activity within the confines of Israel there have "joined" it and other PLO organizations several hundred Arab citizens alone (the "joiners" for the most part became embroiled with the PLO more than having entered its ranks).

What is a Secular State?

But the peak of unclarity is achieved by Dr Smocha when he attempts to analyze his findings. The responses of the interviewees indicated that 36.5 percent of the Arabs see their future as a separate but equal public in Israel, 26.3 percent hope to be a part of a Palestinian state at the side of Israel, 37.2 percent would prefer to be part of a secular state in which there would be equal rights for Jews and for Arabs. The division among Jews with regard to these three possibilities, was 62.6, 12.9 percent and 24.5 percent respectively. Dr Smocha reached the conclusion that the Jews did not comprehend the question and similarly a portion of the Arabs. According to his understanding, the Jews do not support the idea of a secular state, and those who supported the idea should be combined with those who wish to live separately but with equality. Despite this, he divided the Arab supporters of the secular state between those who consider themselves Israelis or Israeli Arabs, and those he combined with the ones who wish to live separately but equally. Only the Arabs, the Palestinian Arabs, the Israeli Palestinians or the Palestinians truly wish a secular state...

The source of the error is clear. The PLO in its proclamations calls for the establishment of a secular state in which equality will be granted to Jews, Christians and Muslims, but Dr Smocha's questionnaire related to the a stract concept of a secular state and from that we learn that this option was chosen by 37.2 percent of all of the Arabs (and 24.5 percent of the Jews), and this is the highest percentage which any option enjoyed of all the known options.

And with regard to the desired borders for the state (page 115) it appears that 86.3 percent of all of the Arabs who choose the option of equal and separate living, advocate the borders accepted by the Gush Emunim and the Total Eretz Yisrael Movement. Even 12 percent of the supporters of the Palestinian state advocate these borders, and it would seem that "their" Palestinian state will be established on the top level of the Eshkol Tower which rises above the University of Haifa. But only 1.7 percent of those Arabs who aspire to live in a secular state support the present borders of Israel (of 1976, before the withdrawal from the Sinai). And of the 3 groups, more than 52 percent support Israeli borders which include the Territories and the Sinai...

It appears that Dr Smocha exceeded his investigation, from conversations which we held I gained the impression that he is a fair person, and that the topic affects him not only from the scientific-professional standpoint. I am therefore hopeful that in future studies, he will attempt to seek fewer answers and those that he does accept will be more reasonable.

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GAZA LIFE UNDISTURBED BY VIOLENCE

Tel Aviv HA'ARETZ in Hebrew 13 Feb 81 pp 13, 20

[Arricle by Ze'ev Shiff: "Life in the Shadow of the Liquidators"]

[Text] One day after a hand-grenade was hurled into the main street of Gaza and two local residents were killed, and another 23 wounded, life in the city goes on as usual. The only external change are the troops circulating slowly in the streets of the city, or standing in conspicuous boredom on one street corner or another. In general, there are almost no troops in Gaza. It is virtually laughable to mention the number of troops who are at the disposal of the authority in a city which today numbers about 200,000 residents. From a military standpoint there has already long since been made a unilateral withdrawal from Gaza. Only terrorist activity alerts several tens of troops. The single military aparatus functioning in the city are the offices of the military authority.

One place where the contrast to yesterday stands out is at the entrance to the city. In general, the passage near the Erez Roadblock is quicker and smoother. One passes by the roadblock, stops for a couple of seconds and continues onward. Since the hurling of the hand-grenade they detain more of the many vehicles. During the morning hours a long line of vehicles moving from Gaza northward forms. In the line there are trucks and taxis and many private vehicles. The line gives reality to the economic situation in the Gaza Strip: many Mercedes vehicles. Many of them new. The Jews are not loved, but it has never been this good for Gaza from an economic standpoint. The tens of Mercedes waiting to leave for the north are only one proof of that.

Appearance of Neglect

The examiners at the roadblock are reservists and a number of police officers. Those helping to direct the traffic are Arabs of Gaza. A quick glance convinces one that the searches have more of a psychological rather than a practical effect. What is truly bothersome is the sight of the reservists. They give the impression that the security budget has been cut by another several tens of millions of shekels. Most of the reserve troops look as if they belong to a ragamuffin army: threadbare clothing, hats of anything that comes to hand. They do not bother to shave when they go out to action or on a mission. Many of the Arabs who wish to alight from their vehicles make a much better appearance than they do, although

most of them are going to work. This is not a situation characteristic to the Gaza Strip only. Troops in far worse dress, unclean, I saw in East Jerusalem also. Those came from a regular unit, from a training base in Samaria, and no one bothered to tell them a thing about the need for appropriate appearance in the streets of the capital of Israel. The knowledge that it is possible to appear in a more acceptable fashion is supplied to us by the troops of the Border Guard who go out on similar missions.

Not all are searched. And thus also on the streets of Gaza. They are requested to produce identity documents. There are no discussions and everything is quiet. Most were children when the IDF conquered the Gaza Strip in 1967. The military and police personnel tell that nevertheless a difference has been sensed between the young and the more adult generation. Those aged 40 and upward, accept with deeper silence searches as well as detentions. They remember the Egyptian period and the thing appears to them almost natural, a sort of continuation. Among the young who saw the Israeli democracy from closer up, it is already possible to hear those who say at a time of detention that they wish to consult a lawyer, or to report to their family that they have been detained in order to retain an attorney. That is a sign of the open bridges between Israel and the Territories.

Another proof that the world is going on as usual, are the Israelis who continue to stream into the city despite the grenades and the acts of murder. They come for purchases and not on the Sabbath only. There are those who come to the dental clinics in Gaza, which are less expensive, and to the garages in the Strip. The fact that only a short time ago an Israeli driver was fatally shot near one of the garages does not deter them. The hand-grenade that killed two of the members of Kisufim does not alarm members of other kibutzim and moshavim in the area from coming to Gaza. Likewise, even the hand-grenade that injured many on the past Sabbath. In the back streets of the market Israelis can be met: two of them are youths of about 15. On their pates the knitted skullcap stands out. They pass beside my vehicle and I don't get to ask them about their doings in Gaza. Perhaps mere curiosity, and perhaps the programs for a new settlement within Gaza. Near the authority building, I am introduced to the soldier who dealt with the vehicle at which a hand-grenade was hurled the day before. He was lightly scratched on his leg and was miraculously saved. He didn't manage to identify the hurler of the grenade. He and his comrade were stopped not far from the corner of the market because of two flat tires that they had on two wheels. It was while they are busy with the car that the grenade was thrown. Was this a quick response of one of the terrorists, or merely a coincidence and the exploitation of an opportunity that had been provided to a terrorist who went out on an action?! What is clear, is that the one who threw the grenade was totally unconcerned about whether Arabs might be hit. The important thing is to hurl the grenade in the direction of an Israeli target.

And in fact two of the fatalities were Arabs, and of the 21 injured, 18 are Arabs from Gaza, one an Arab from the Triangle, and 2 soldiers who were slightly injured. An examination of the number of injured since 1967 reveals that the number of fatalities and injuries among the Arabs in the Strip, is several times larger than the Israelis injured by the acts of the terrorists in that same area. The number of local fatalities in Gaza reached 266, among them 30 children and 51 women. The

number of injured reached 1,494, of which 238 were children. As in all the rounds in the past, the self-abrasion of the Palestinians in the terrorist activities in the Strip is greater than all the damage that they cause to Israel.

Futile Revenge

The same holds true for the gang of liquidators which operates in the Gaza Strip and for which the security forces are on a search. The estimate is that this gang murdered 2 Israelis, but the number of Arabs which it murdered because it suspected them of collaboration with Israel, is many times over that number. The military people say that we are talking about a total of a few people who carry out these acts of murder and that only a few are connected with the terror. But even if we are talking about three people, they have succeeded in intimidating many Arabs in the Gaza Strip. This does not change even if those murdered are not true collaborators with the military authority. Families of those that have been hit perhaps hate the PLO for that reason, but it is an error to think that their sympathy for Israel has increased. The family members of the victim sometimes attempt to create an alibi for themselves in order to prevent additional hits.

Proof of that is the family of the Imam Huzandar, who was murdered about a year and a half ago because he supported the initiative of President Sadat. Huzandar became a household name, and in Israel the impression was created that the family cooperated with Israel and supported the peace initiative and was therefore struck. The sons of Huzandar are today trying to create a totally reverse impression: their spokesman, the brother Ma'amun, is concerned about relating that he served 5 years in an Israeli prison for security reasons. He shows a photograph of a youth in a guest room beside a photograph of the murdered imam. This is an additional brother--so they explain. He was killed at a time that he participated in the foray of the FATAH on the Golan Heights. It is clear to the Israelis from all that has been written that the Imam Huzandar was assassinated by the terrorists of the rejectionist front. That is not the way it appears to us: this one tells the reporters that it is entirely unclear who murdered his father, and that this could be someone of the people of Rabbi Kahane who also opposes the peace, or of the supporters of Minister Sharon. Why particularly Arabs?!

The story making the rounds in Gaza is that the hand of the liquidators reaches into prison, and the proof--the murder of a cooperating prisoner on 14 January. It does not matter that the murdered one had no connection even indirectly with the Israeli authorities. The murder victim was a youth who had been sentenced for other murderous acts. He surrendered himself to the jailers when he came to inform them in the morning of a murder he had perpetrated during the night. He further explained that he had decided to wait until morning for fear that the Israeli physicians would succeed in reviving the murdered one. The murder was perpetrated, according to him, because the man collaborated, and because the commander of the murderer was recently struck by the Israelis, and this is the revenge.

What is the gang liquidators? The problem is to locate its members in the sea of humanity in the Strip. It is worthwhile to give attention to the remark expressed by the prime minister and defense minister in his recent appearance before the

Foreign Affairs and Security Committee. While he absolves the Egyptians of the responsibility for various violations of the military agreement in the Sinai, Begin complained that they were permitting the PLO to maintain offices in Cairo. In the past it was made known that several of the commanders which FATAH introduced into the Gaza Strip, exploited the peace between Israel and the Egyptians and came to Gaza through the Sinai. From this direction a part of the arms and terrorist materials were smuggled into the Gaza Strip. This is a concealed struggle, only a portion of which comes to public attention, and a great deal of what is publicized is only a part of the puzzle.

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RELIGIOUS REVIVAL SEEN AMONG ARAB YOUTHS

Tel Aviv MA'ARIV in Hebrew 30 Jan 81 p 31

[Article by Yosef Tzuriel: "Will You Be Prepared for the Holy War?"]

[Text] The turn--or the return to the religious faith--is an existing phenomenon and is even gaining strength among the Arab youth in Israel. Some see in it a desire to escape from personal distress, some wrap it in the "Islamic awakening" which is pulsating from Libya to Iran and some interpret it as a form of nationalist activism.

No one knows the number of the young Arab "penitents." One of the estimates places them at 2,000. In any case, they manifest three signs: their age 18-25; all were non-believers; the great majority of them live in the villages of the Triangle.

First buds of the turn to Islam sprouted 3 years ago, but during the past year a significant religious revival has been evident in the circles of Arab youth, including students in five institutions of higher learning. At the Hebrew University in Jerusalem is an Arab Circle which meets five times daily for prayer, and carries on regular lessons in Islam. The main focal points of the religious activism are to be found in 'Um-al-Faham and Kalnasouwa. At 'Um-al-Faham there is extensive activism, whose goal is to bring youth close to the religion and thereby to usurp the place of the RAKAH activists. At Kalnasouwa the center of action is a person with a criminal past who has converted to a preacher. In the propaganda leaflets which he distributes, are included 18 questions such as "Do you pray 5 times daily?" "Will you be prepared for a holy war?" "Are you conscious of death?" The preaching strikes roots among the Arab youth as evidenced by the streaming to the mosques on weekdays, particularly on Fridays. In the largest of the villages, 'Um-al-Faham, youth hurry to noontime prayer at the mosque, and the adults partly are amazed, party are derisive. The number of youth praying in the mosque strikes the eye, and their prayer is a prayer of actuality, not merely to fulfill an obligation.

Even at Kalnasouwa village, daytime prayer is no longer an event for the aged. Youth whose day of rest used to be on Saturday, give up one workday. Young men who were accustomed to spending Friday outside of the village choose to go first of all to the mosque. Educators who made light of religion and represented themselves as "progressives," march to prayer with their pupils.

Alienation of Isolation

Is this really only a normal phenomenon of spiritual need for religion? It is enough that the local people are not enthused about conversing with a stranger on this topic, in order to point up the complexity of the phenomenon and all that it symbolizes for them. The fear of provocations of "the Israeli regime" causes the mouths to remain closed. The concept "Khomeynism" fires the imagination of the youth but--"they are not talking."

As to the phenomenon of the "penitents" there is also a violent side. In several villages people who openly violated the fast of Ramadan were beaten. In one settlement a youth club belonging to the RAKAH was set afire. People who are suspected of lewdness were warned. And more serious than that, preachers in the mosques incited against the State.

As has been stated--the residents remain silent. The impression is that a "divine voice" has sounded and has decreed muteness over everyone. But from the snatches of conversation a picture emerges which is all strangeness, hostility, alienation and isolation with respect to the State of Israel.

The fact that the Muslim revival is particularly noticeable in the villages of the Triangle is explainable by the ethnogeographic concentration. But if so, what of the Galilee?

Dr Soubhi Abu-Gush of Abu-Gush, who began to gather material 20 years ago for his doctorate, whose thesis was Politics in the Arab Village, has for some time recognized the uniqueness in the villages of the Triangle as compared with other Arab villages in anything involving religion and tradition. This week he said to me: "The argument that there is a Khomeyni influence here does not deter me. After all, we are talking about a religious personage with influence over millions of people. The thing worth examining is whether the turn to religion has come as a result of a search for peace of the soul, or as a result of identification with the Muslim world, whose status is increasing in strength."

Ahmad Natur of Kalnasouwa, graduate of the Hebrew University in Oriental Studies and a student for an advanced degree in the Department of Communications, says: "The Israeli Arab whose age is the same as the age of the State, senses an emptiness whose meaning is mainly political. Daily he asks himself: "Who am I?" "What am I doing here?" "How much do I belong to my environment?" "Do they wish to accept me as a citizen of equal rights and obligations?"

Born Into a Vacuum

"To my sorrow, we, the Arabs of Israel, are immersed in a difficult ideological crisis. It took seed 30 years ago, with the establishment of the State of Israel, and since then has become increasingly acute. It is natural, therefore, that a man will seek a safe haven, a place w[illegible] will not be in the status of a constant suspect. Many youth find religion a comfortable and secure refuge. They know that no Israeli regime will forbid them from observing the commandments. Nor will they be required to prove their religiosity."

Haydar Zahalka of Kfar Ker'a, a doctoral student in the faculty of chemistry at the Hebrew University, has become religious gradually: "I was born and grew up in a traditional society, but only recently, after I matured and became a student and became estranged from my home, did the interest in religion grow in me. There may be someone who can see in that a sublimation of the social and political situation in which I find myself, or an escape from an oppressive reality. I feel very well. I pray daily. I study the Koran. I peruse other holy books. I have many conversations on matters of religion with colleagues, Muslims such as I am, and intellectuals as I am. I am whole with myself."

Dr Subhi Abu-Gush: I do not envy the young Arabsin Israel. They were born after the establishment of the State, which in essence is Jewish, not Israeli. In this situation it is difficult for them to find their way. Those who searched for challenges were disappointed, very few succeeded in integrating. Thus, frustration is generated and it reaches a form of expression in a variety of activism--the al-Arad movement; the activism of RAKAH; the Village Sons. No benefit has redounded to them from all these organizations, and now they are being seized by religion. Religion has an important advantage. It does not irritate the Israeli authorities. Any person is permitted to adhere to his religion."

Ahmad Natour: "Undoubtedly, the influence of Khomeyni on the Arab youth of Israel would have been of no effect at all, or would have been particularly meager, were it not for three additional factors which emerged at the same time: First of all, the political situation in the region; secondly, the self-assertion of the Islamic nations and the utilization of their influence in a more efficient form for the furthering of their own interests; thirdly, the possibility of a pilgrimage to Mecca which was opened to the Arabs of Israel. These factors did not solve the personal problems of the Israeli Arab, but made his distress lighter. He was seized by religion as if it was something concrete and it is hopeful for better days to come."

Faith Yes, Violence No

Heidar Zahalka: "As a Muslim who has matured and acquired education, I have come to understand that I am called an "Israeli Arab" and as such I am placed in a limited and restricted maneuvering area. I could perhaps try to digress from established frames of reference, more or less, but I have decided to find my way within the framework of the definition "Israeli Arab." And here, it has happened that in religion I have found an expression for the social, political and cultural aspirations. It also relieves personal pressures and helps me to be realistic. I will cite an example. Am I able to deceive myself, that I will be accepted for employment in projects which are defined as "sensitive?" I save myself irritation by avoiding applying for such projects, and try to find myself local or foreign projects in which I can contribute from my experience as a scientist."

The advisor to the prime minister for Arab Affairs, Binyamin Gur Aryeh, says: "Even before Khomeyni ascended to power in Iran, the tendency of youth to turn to religion was already evident in the villages of the Triangle. This trend intensified during the past 2 years in these villages, and also spread to other villages

and to mixed cities such as Jaffa and Acre. "There is nothing wrong with a turn to religiosity. There is no intention on the part of any governmental entity to interfere in matters of faith. Over the course of the years of existence of the State, generous support has been given to the Muslim population of Israel in order to enable it to build new mosques, renovate existing mosques and to train religious ministers.

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SOLUTION BASED ON INTERNATIONAL AGREEMENT DISCUSSED

Paris AL-MUSTAQBAL in Arabic 14 Feb 81 pp 24-27

[Interview with Ibrahim Qulaylat by Ghassan Bayram: "AL-MUSTAQBAL Continues the File on the Lebanese Dialogue; Ibrahim Qulaylat Says, 'The Accord Will Not Be a Lebanese Decision, but Rather an International One on Which the Arabs Will Affix Their Seal' "]

[Text] Proposing partition plans is tantamount to extortion and intimidation to achieve new gains and privileges.

The Lebanese arena will continue to be the arena of international struggle, and the Lebanese crisis is tied to the Middle East crisis.

The Palestinian presence in Lebanon is the result of an international decision and agreement.

There is no international decision to start a new war in Lebanon.

The alliance of the other party with Israel is delaying the achievement of a solution to the Palestinian question and helping keep the Palestinians in Lebanon.

When AL-MUSTAQBAL announced that it would contribute to [the effort] to open the Lebanese dialogue between the parties of the dispute--this is the dialogue that Lebanon's Minister of Information, Michel Edde had begun with a debate between Prime Minister Sa'ib Salam and al-Shaykh Pierre al-Jumayyil on Lebanese television, and that dialogue somehow stopped later--when we made this announcement, we were told that under these circumstances in particular we appeared to be looking at Lebanon from China. But there were those who told us, "The step that you have begun in front of the parties to the dispute in Lebanon is in itself a positive action that is beneficial to Lebanon and to the parties to the dispute." We, however, believed that it was enough for us to convey the points of view of each faction on the pages of AL-MUSTAQBAL in order to have served this as well as the other faction and primarily truth and democracy. Had it not been for this dialogue for which we have prepared the way, we would not have heard that Prime Minister Sa'ib Salam was affirming that "The leaders that were produced by the war were spurious leaders who would not last. We

are the ones--not those who are carrying weapons--who represent the true wishes of the Lebanese" (AL-MUSTAQBAL, No 201).

Had it not been for this dialogue, we would not have heard Mr Yasir 'Arafat, president of the PLO saying, underscoring and emphasizing, "We harbor a great deal of respect for Lebanon and for President Sarkis. He is the president of all of Lebanon. We set out to do our work from the premise that the safety, the stability and the unity of Lebanon's soil and people as well as the reinforcement of the Lebanese lawful government are indisputable facts and important principles in our policy towards our brothers in Lebanon" (AL-MUSTAQBAL, No 203).

In this dialogue too we heard Walid Junblat say, "The accord in Lebanon now is unlikely. War will break out again, and it may be more violent [this time]. This is because the struggle between us and the other party is an old one that antedates the Arab question and the Palestinian question.... An agreement with the Lebanese Front is impossible now because the front is dealing with Israel...." Junblat also said at the same time that he was prepared to meet with al-Shaykh Bashir al-Jumayyil. (AL-MUSTAQBAL, No 205).

Had it not been for this dialogue, we would not have heard al-Shaykh Amin al-Jumayyil responding to Junblat by saying, "We agree with many of the lines of the interim political program that was devised by the National Movement because its broad lines do not conflict with our aspirations." Then he said, "The story about dealing with Israel is a cliche used as an exercise in oneupmanship to make a cheap gain" (AL-MUSTAQBAL, No 205).

In this issue Mr Ibrahim Qulaylat, president of the Independent Nasirist Movement--al-Murabitun--reviews the various aspects of the Lebanese situation, beginning with the possibilities for accord and dialogue and culminating with the affirmation that a link between the Lebanese problem and the Middle East problem does exist and that separating the two is impossible. [This is a reference to] the statement that the Lebanese problem cannot be solved before the crisis of the region is solved, and that achieving a solution for the latter is impossible before the achievement of international detente.

The other matter that dictated the choice of Mr Qulaylat for this dialogue was not the fact that the al-Murabitun organization had in time turned into an effective political and military force on the Lebanese scene having its stance and its role in any decision, but it was also because Mr Ibrahim Qulaylat's positions have come to be viewed by observers as indicators of the nature of any stage, whether it be the stage of political action, of military action or a stage of rest between the two. In this regard he is like the commander of the Phalangist forces, al-Shaykh Bashir al-Jumayyil.

The interview began with the following question.

[Question] You had previously announced some kind of inclination for political action and you became engaged in a dialogue with the lawful authority for the purpose of taking part in selecting a formula for the national accord. Can we now consider that stage to have ended in failure, or is there still room for political action for the accord?

[Answer] As a scientific, ideological movement we believe in working to achieve our ambitions and our national and pan-Arab goals through revolutionary political struggle that targets the roots of the malady and not through a superficial political struggle that [merely] seeks a few reforms. The underlying reason for this is the magnitude of the existing contradiction in all the dimensions of the nature of the Lebanese state's organization. It is a strange and a curious contradiction that cannot be accepted; nor can settlements based upon these contradictions be accepted.

The turn to exclusive political action after the 2-years' war pertained to the fundamentals of our understanding of the legitimate objectives and the means of achieving them. We are living in a crucial period that is pitting us against conspiratorial forces which oppose our national existence, our pan-Arab identity and the modern, contemporary notion of building countries and homelands. In this confrontation we have all the impulses for embarking upon the armed struggle to achieve both our national or our pan-Arab goals. Under all circumstances we never stopped pursuing the political and military aspects of our struggle; these ultimately complement each other. If at one time we did make a decision to back off from using the military struggle in its absolute sense, we did so after the entry of the Arab deterrent forces. We did so to provide [ourselves with] the opportunity to explain all the dimensions and fundamentals of our political course for achieving its objectives through the democratic political struggle whose goal is to reach radical solutions that can stop the decline and eliminate the deep conflicts between the factions of the formula. But unfortunately, this political direction was opposed by numerous forces that were trying to achieve that course. Chief among those was the lawful authority headed by President Sarkis. At the same time we were continuing to take care of developing the effectiveness of our military capabilities because we believed that we were facing a crucial period and we were in a period in which logic was lost from the general dealings with the international forces. This situation made us us make an effort to achieve a formula that has all the justifications for survival and continuity; its pillars would be truth and justice. We set out to do so on the basis of our belief that "It is not true that legitimate objectives can be achieved without force." This means that we use force to achieve the truth; we do not use force for its own sake.

What is perfectly clear is that the national weapon, and especially al-Murabitun's weapon, was used to restrain the weapon that was used by the separatist faction. It was used for an internal national objective and for a pan-Arab objective to oppose the plans of the separatist faction which had put its weapon to use to achieve further privileges in its own

interests, beyond those of the official agreement of the 1943 National Pact. The sectarian, separatist faction also used its weapon for intimidation and for extortion by proposing its partition plans. But these proposals were nothing more than attempts to seize and to obtain more privileges and control over the state's political and economic capabilities. Besides, the separatist faction's weapon does have another objective: to oppose the pan-Arab questions. This matter came out in the alliance that was established between it and the Zionist enemy against the Palestinian Revolution and against its struggles to achieve the legitimate rights of the Palestinian people and to realize their right to return to Palestine. Therefore, we used our weapons to confront the threat that Lebanon would be partitioned. We used our weapons to prevent the imposition of control, to thwart the establishment of a law of privileges for one group over another and, accordingly, to confront the Zionist-separatist alliance to undermine the revolutionary weapon and the continuity of the revolution's armed struggle to bring about the return to Palestine.

[Question] In the course of your discussion you referred to the fact that the partition plans were proposed as an exercise in intimidation and extortion. Do you believe that the question is merely an exercise in extortion to achieve gains or to keep privileges or is there a determination and a plan to achieve the partition of Lebanon?

[Answer] We do not exempt the separatist mind in what is left of the Lebanese Front from having aspirations to achieve the partition it is seeking which would enable it to establish a sectarian, separatist entity. But our point of view--an objective point of view--which is based on reality and on the nature and geography of the Lebanese state, contradicts any one of the conditions of division. However, the compensation for which the separatist mind and inclination is working as an alternative to partition which is contrary to Lebanon's reality and geography, is that of imposing a formula of control that would realize privileges for it at the expense of the capabilities of the homeland.

The Geographic Weapon

[Question] The gist of what you said is that you believe that the weapon of geography is stronger than any other weapon against partition, [is that right]?

[Answer] This is true. In addition, there is the inclusive national position, that is, the Islamic and the Christian position. We think that imposing sectarian and class privileges is no less dangerous to the future of Lebanon and the people of Lebanon than partition. It is our view that the confirmation of a lawful, constitutional law that grants privileges to a class and a sect and gives control to the sectarian, separatist thought of one faction is more dangerous than partition.

[Question] You have recently met with the lawful authority and with the

president of the republic in his conciliation attempt which came to an end when these indisputable principles with which you agreed were announced. In your opinion why has the pursuit of accord come to a standstill and why has it not yet been resumed?

[Answer] The pursuit of accord beyond the 14 indisputable principles which President Sarkis proposed did not see the light. In the form in which they were announced, these principles constitute a sequential organization of a series of cliches that have been divested of every sense of execution. What has befallen these indisputable principles confirms our view of what we did at the time. Also [in the course of] the dialogue about the indisputable principles my position on the president was clear. We rejected any discussion of these indisputable principles if they were not balanced by an implementation plan. We do not want to become involved in a plan that has been divested of its real principles and does not achieve any solution to the problem of the homeland and the citizen. It is not possible to concede to or to accept the attempts made by the authority and by the president to confuse fundamental, indisputable principles that are agreed to with practices that contradict them. President Sarkis is still maintaining his position and his role, and his actions are motivated by the positions and ideas of one and not all the factions. His address at the al-Ta'if Summit was further evidence of this and of the fact that he views Lebanon and the Lebanese situation from one perspective even though the constitution made him the president of all of Lebanon.

We must pause one more time at the pursuit of accord. So far, no formula or no real agreement has been proposed that would lead us to accord or to national conciliation. The accord would be the result of indisputable principles that would have to be endorsed and approved as interim steps. It would also be the result of a formula for a dialogue that would include all the basic questions which created this tremendous amount of conflicts among the Lebanese people. In the light of the dialogue and with its outcome we would reach the final stage of the conciliation and the accord. What we are seeing now is not serious at all; it is not based on a plan, nor is it based on a program. The television debate, for example! What are we debating for? No program and no draft plan has been proposed. In order for us to reach the stage of accord and conciliation, that must be preceded by significant stages of preparation.

First, there must be no disputes about the reasons that created and produced the conflicts; there must be a national understanding of the reality of these reasons that led us to this continuing war on the internal, national scene, on the pan-Arab scene and on the international scene. Second, there must be a plan around which the dialogue would take place. This plan would constitute the formula of an agreement that would be approved by the people through the forces that agree to it.

But these constant attempts to leap towards the unknown may cause the country to become involved in crises that are greater and more complicated and that pose a threat to the national destiny. So far, no formula and no

plan for discussion have been devised within a program that would be proposed for agreement. Conciliation and accord constitute the final stage, and they must be preceded by numerous stages.

The Accord Is Not a Lebanese Decision

[Question] After the president announced the indisputable principles of accord, he called for a national accord government that would undertake the translation of these indisputable principles into organizational formulas and action programs. But you are saying that the administration had to follow up the step of announcing the indisputable facts with another that devised detailed programs and formulas. Does this mean that you want the government to undertake everything and then to call for the dialogue?

[Answer] I do not mean that it is up to the administration to put down all the details, but it would have been possible for it to devise two somewhat equal and balanced formulas as well as directions for implementing these truths, especially since the parties to the dispute have not found common denominators vis a vis any condition or situation that is facing the homeland or the citizen. Therefore, an initiative was inevitable, just as [it was inevitable that the administration] undertake to devise these empty truths--and I say they are empty because one has come to doubt their veracity since there is so much exaggeration in them and since the general conduct of the administration is inconsistent with such statements.

[Question] It has been observed from this situation that throughout the past 4 years we did not achieve denominators or a minimum of common denominators for the dialogue or for the accord between the two parties to the dispute in Lebanon. To what do you attribute this, even though it is known that there have been communications and contacts between the two factions?

[Answer] It is natural that common denominators would bring us closer to an accord, an agreement and a dialogue that would get the homeland out of its predicament. I do not believe that the resolution and the determination of these denominators would be [the result of] a spontaneous national decision. The Lebanese scene is the scene of the central struggle around the central question, that is, the question of the Middle East and the Palestinian question, or around the ties between that central question and the new developments of the Lebanese question. Therefore, any solution to the question of the Middle East would only come about as a result of an Arab agreement or accord and, unfortunately, an Arab "rubber stamp." The level to which Arab action [has descended] cannot possibly make it a participant in the decision, but rather merely an observer of secondary stages that is sought as a cover for the international decisions that are to be carried out to solve the question of the Middle East. No matter what draft accord formulas or 14 indisputable principles, etc. are proposed, this cannot possibly constitute a real and a practical introduction to a solution to the Lebanese question or to a solution of the Middle East

crisis and the Palestinian question. But this tie does not mean, deny or prevent preliminary actions from being taken to achieve internal, Lebanese national stability in preparation for receiving future international solutions to the Middle East crisis. However, neither the lawful authority, the national forces nor the Lebanese Front would be capable of beginning to implement a radical solution to the Lebanese problem.

[Question] In other words, [are you saying that] the forces on the scene, that is, the lawful authority, the National Movement and the Lebanese Front, are capable of achieving the beginning of a solution that would make the Lebanese situation capable of coexisting with the conditions of the region while its crisis awaits a solution?

[Answer] We coexist by achieving the reinforcement of security and social stability within reasonable limits while we wait for the solution stage. I cannot predict whether or not that solution will involve the geography of the region and what its effects on the Lebanese scene will be. I also cannot predict with precision the nature of the political map of the region and the extent to which that would apply to the Lebanese scene.

Protection from Danger

[Question] It is known that your positions and your inclinations indicate that you insist on Lebanon remaining as it is with regard to its geographical composition, its existing borders and the unity of its land and its people. But we observe here that everything is contingent upon the solutions that will come to us from abroad. We may in the future receive solutions that would force on this country some kind of change or partition or multi-faceted formulas with numerous names. Don't you think it is your duty to take some preventive action or some conciliatory action that would preclude the effects of any outside solution on the formula and the unity of Lebanon?

[Answer] We must, of course, take preventive measures to prepare ourselves to oppose the plans that may have formulas which contradict our fundamental, principal goals.

I would like to emphasize and to affirm that we will oppose [these formulas] and that we will struggle with all the options [we have] to prevent any solutions from being imposed on us that would contradict the fundamental principles of our Nasirist ideology in the area of Lebanon's unity--internal national unity--or in the pan-Arab area with regard to the Palestinian question. We will continue to bear these responsibilities in opposition to these plans with the same sense of responsibility that we, as the Independent Nasirist Movement--al-Murabitun--and the national forces, including the National Movement, withstood since 1976 to delay the implementation of goals that had not been considered and that were to have been put into practice and implemented on the Lebanese scene. And we will achieve a better position since the forces with the real national and pan-Arab interest have resumed the correct, single position--and I mean

the National Movement, the national forces, Syria and the Palestinian Revolution--to oppose the non-patriotic plans on the Lebanese scene and the non-pan-Arab plans on the Palestinian scene.

As an example of this and to confront these plans, that being [one of] the effective, preventive and offensive duties of the struggle, we began working in the National Movement to organize and to develop the structure, the functions and the role of the National Movement. This will be based on the approval of an integrated political program that would shoulder and determine all the proportions of the military, political, security and social responsibilities of this stage. In addition to continuing the course of the daily national political opposition to all the suspect plans, we, in our movement, have accomplished progressive steps towards the construction and development of the urgently needed integrated infrastructure of our military forces.

The Dictatorship of Power

[Question] We have an observation here. 'Abd-al-Nasir's experience in the 1967 war makes it imperative that we not trust international solutions at all. From this premise, we find that there is some call for an actual action to be made on the field. Such an action would anticipate any outside solutions that may be offered at the expense of our homeland. This is because the superpowers do not care whether or not I, a Muslim or a Christian, am hurt by a solution that threatens my security and the unity of my country. What is important to these superpowers is for them to achieve solutions that guarantee them their interests. Accordingly, I want to ask whether these preparatory and organizational steps that you are carrying out will continue apart from the lawful authority or whether with their outcome you will propose a formula to the state and to the remaining parties?

[Answer] As far as the lawful authority is concerned it has faced all the steps that were undertaken by the National Movement and the national forces to achieve any interim plan or formula that would interact with the internal Lebanese national problem with a negative attitude. After judgment was passed on the lawful authority in its use of a single approach and in its alliance with that approach and not with all the Lebanese factions, it became logical [to expect that] all the preparations that would be made, for achieving political programs or military plans, would be those that would confront the forces of partition and the vestiges of the Lebanese Front and the lawful authority together. In our judgment the authority is a faction complementing the separatist thought.

[Question] In the shadow of this accusation that you are making against the lawful authority, what is the government's position and what role does it play in this regard since it constitutes the other party that is participating in the regime?

[Answer] It is natural that the existing government does not play the

role of a partner. After the way in which this government came about, [it became clear that] government practice was based on the principle of the political dictatorship of a single chief, that is, the president. His opinions and his positions are imposed on the executive partner who is supposed to have a decision-making role according to our democratic parliamentary system. This has made the government and its prime minister superficial and marginal participants in the significant crucial questions. The latest evidence I have of this is the army organization decree which has been issued and the promotions of army officers which included the symbols of war in the separatist faction and also what has taken place regarding arranging the participation in the al-Ta'if Conference. And here I affirm that according to accurate and truthful information, the prime minister did not see the address that President Sarkis delivered at the conference until half an hour before he was to deliver it. It is known that 40 percent of the address that President Sarkis delivered was amended drastically to alleviate the tone that was hostile to everything that is patriotic, Arab and nationalistic.

[Question] Do you mean to say that the address was even more extreme...?

[Answer] Yes, it went even further in its extremism and its non-patriotic deviation.

[Question] What are the circumstances that dictated to the president such emendation and substitution?

[Answer] The veteran cowards in the regime and their fear that relations with the forces that direct the struggle on the Lebanese scene may deteriorate. I mean that Syria played a part in amending the address and in mollifying its tone.

There Is No Formula and There Is No Dialogue

[Question] I want to go back to the subject of the dialogue. It seems that there is some difficulty in achieving a dialogue about the accord any time soon. Up to this time it seems that there has been a fundamental conflict and disagreement between your premises and those of the other faction. Thus in your view the purpose of setting out to achieve an accord is to come to an agreement about a political and a social formula that would achieve justice, establish balance and do away with privileges. The other faction, however, is turned towards the Palestinian presence on the Lebanese scene. That faction is saying that as long as you are insisting on this presence, there is no point in having a discussion, whereas you want to have a dialogue on the formula for a new system apart from the Palestinian presence.

[Answer] I would like to affirm that according to our convictions and our analysis there is no formula for a dialogue or for the accord expected in the foreseeable future. All the programs that are being presented to us are for internal consumption. The directions of these programs differ

from one case to another according to the circumstances in which they are presented. This is attributable to the fact that any genuine dialogue that seeks to achieve accord has to be based on existing principles that are suitable for dialogue. We do not believe that the separatist faction has any idea or intention of forming such principles. The faction's proposals seek to have the faction continue its control of the areas it is controlling now. Anything else is said for local consumption and for arousing people's emotions. Regarding the difference in the view on sovereignty and independence, this [notion of] sovereignty and independence has been shot down by the partition and sectarian proposals of the other faction, by its relationship with the Zionist enemy and also by the proposals it made for local consumption. These lay the blame for the problem on the Palestinian presence.

Basically, with regard to political, national and social domestic reform, the problem has existed since 1943. The reform attempts in 1958 antedated the Palestinian presence. There was no Palestinian presence then, and this refutes the heresy that the separatist faction is proposing. Everyone knows that the decision on the interim Palestinian presence on Lebanese territory was not made by the leadership of the Palestinian Revolution, by the National Movement, by the National Islamic forces or by all the Arab countries. It was the result of an international agreement that made this presence easy. It is the separatist faction that now constitutes the required support or ingredient for the continuation of this interim Palestinian presence. This is done through its agreement and its alliance with the Zionist enemy. Whenever the Zionist enemy can get hold of winning cards on the Lebanese scene, he becomes intransigent in his rejection of internationally presented legitimate solutions for the Palestinian people. As progressive national forces and as patriotic Islamic forces in our sincere support for the Palestinian gun, we are more sincere and more loyal to Lebanon [than they are]. This is because the stronger the Palestinian gun becomes, the stronger will its international political program become; the closer will the solution be; and the more imminent will be the return to Palestine. But the separatist faction follows a strategic course that would weaken the Palestinian presence because this would provide it with the opportunity to continue to stay without restrictions on Lebanese territory. For this reason we are saying that the separatist faction has played a part in keeping the interim Palestinian presence and not the opposite because its continuity too is the work of the separatist Zionist alliance which is thwarting the achievement of equitable solutions to the question of the Palestinian people and to the realization of their return.

[Question] I just now thought of the following observation. If I were Abu 'Ammar, I would say that there would have to be a Lebanese group fighting my presence in Lebanon. For if all the Lebanese people were to accept the Palestinian presence in Lebanon, the interest of the superpowers in that presence may be weakened, and a decision to harden the situation and to keep the status quo may become easy.

[Answer] There are two sides to the subject. If one faction continues to raise the problem of the Palestinian presence for the purpose of continuing to raise the question internationally, this would be the result of a tactical agreement and not a strategic objective as is the case now with the separatist faction.

In addition, and even if we did not adopt these tactics in presenting the Palestinian question, it would be possible to unify the single position with the Palestinian Revolution. This would enable us to unify all our forces internationally to confront the Zionist enemy. The question thus remains pending on the international scene, since it is not necessary that I bring it up in an internal struggle, but rather in a struggle with the Zionist enemy. If we had a tactical agreement with them in this regard, the civil war would not have come to this.

[Question] In the light of the reference you made a short while ago to the fact that at the present time you did not expect any solutions soon, what are your expectations for the next stage and especially for the new year? There are those who say that the situation in Lebanon will remain as it is--no war and no peace; and there are those who expect that the fighting will be resumed. How do you see things?

[Answer] My evaluation of the objective circumstances in the foreseeable future is still the same: there are no plans for a solution to the Middle East question with its Palestinian and Lebanese dimensions. This does not mean that we are not to expect developments in the foreseeable future whose effects would stimulate a comprehensive war as was the case since the beginning of 1975. What may even be more likely is the fact that conditions will continue to be subject to breaches of security. If circumstances were different regarding the position of the lawful authority, it would have been possible to draw up a formula that would achieve the reinforcement and the social, military and political stability in Lebanon throughout this period during which our vision is not yet clear regarding the beginnings of the serious search for a solution to the Middle East crisis. The present situation does not call for optimism. However, the proponents of questions who cannot be optimistic about achieving their legitimate objectives will not give in to pessimism.

[Question] Can we then view ourselves as continuing in a state of no peace and no war unless Israel wanted to contrive battles and wars of annihilation on the Lebanese scene?

[Answer] Naturally there would be signs to indicate that a decision had been reached on an inclusive war of annihilation or on a lengthy continuing war. These signs would become evident before war would break out. So far, no international decision has been made to start a war or inclusive combat as was the case before 1976. The Lebanese scene is left as an experimental arena for all kinds of weapons until the superpowers achieve a formula for an international agreement that would affect all the questions that are being raised in the world, and chief among them is the

question of the Middle East. Without the achievement of an international agreement I do not think it will be possible to attain a solution; nor do I believe that any superpower can achieve a unilateral solution.

[Question] Today the European Community, for example, is among those that are suffering the most from the continuation of the Middle East crisis, and so are the Arab countries and regimes, especially those that have oil. Don't you believe that the Arab countries, as exporters of energy to the west, and the European countries, as primary strategic allies of the United States, are capable of forming a common pressure force on the United States to expedite a just solution to the crisis of the Middle East?

[Answer] First of all, the Arab regimes are not being hurt by the Lebanese war and by our war with the Zionist enemy because international struggles and our struggle with Israel have made them the economic beneficiary of this situation. They have increased their oil prices every few days until they now have a surfeit of these increases which are the result of this war with the Zionist enemy. But it is possible to say that the countries of western Europe are being hurt by this situation. They tried to do something, but it has become evident that in strategic questions, they have become the prisoners of the American decision.

[Question] Regardless of the magnitude of the damage to them?

[Answer] Yes. It is evident that the change that took place at the Venice Conference with the presence of France did attract attention. If this is an indication of anything at all, it is an indication of the relationship between western Europe and the United States. This relationship makes the European countries incapable of establishing solutions to the questions of the world and to the question of the Middle East and the Arab world. Therefore, international detente between the two superpowers must be established. It would reflect a more effective situation for western Europe [to play] an executive role to solve the questions of nations, especially those in the Middle East. In the absence of a balanced detente between the two superpowers there will be an imbalance in international relations. This is what is making us see now that the world is living in a state of madness and that reactions [to this madness] are greater because the detente that has been suspended by the United States has not been established.

[Question] If this agreement that you are talking about is not achieved and attained for several years, till after 1985, for example, does this mean that our situation will remain as it is?

[Answer] Objectively, it will remain as it is, but I do not believe that the cold war can go on till 1985. The two superpowers have to assume initiatives that I do not think are impossible for achieving international detente. There are numerous suggestions of that in the amendments to the SALT II agreements and in the meetings between the two countries. Neither

one of the countries has an interest in this that comes to the point of suspending every creative achievement in the cold war. They are finding themselves face to face with a hot war in which they have no interest. As liberation forces it is in our own interest that the Soviet Union be in a better position in the cold war, and it is also in our interest that the Soviets achieve superiority in this field because over the long range our interest lies only with the Soviet Union and with socialist Europe.

[Question] Is the process of reaching this agreement to be expected in the course of 1 or 2 years?

[Answer] As a consequence of keeping up with the developments and the changes that are taking place on the international scene--especially those that are causing reactions on the field from Afghanistan to Turkey, from the Gulf war between Iraq and Iran and to Lebanon and Palestine and other regions of the world--we are led to believe that these developments and changes will exert strong pressure on the two superpowers to get them to the table of accepting international detente.

[Question] Does this mean that it is possible to expect that we will be on the verge of a solution as we approach 1982?

[Answer] We are hoping that we would not go beyond 1981.

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ROLE OF TELECOMMUNICATIONS ACHIEVING LEBANESE ACCORD DISCUSSED

Paris AL-MUSTAQBAL in Arabic 21 Feb 81 pp 36-38

[Interview with Michel al-Murr by Ghassan Bayram: "AL-MUSTAQBAL Interviews Mishal al-Murr about the Political Role of His Ministry: Can the Underground Accord That Was Achieved Be Achieved over the Ground?"]

> [Text] We worked on the basis of the fact that the telephone was the life line for the accord among the Lebanese. We resisted many attempts to disrupt communications among the Lebanese people and to isolate Lebanon from the world. There are Arab and Middle Eastern countries that have tried to take over Lebanon's position in the region. They tried to install an international communications system in the Middle East that would bypass Lebanon. International corporations have begun returning to Lebanon for which there is no substitute.

The achievement of an agreement among the Lebanese people over a formula that would restore to Lebanon the unity it had before the war does not come about and cannot come about as a result of a political decision that would be taken by the legitimate political authority; as a result of an agreement between it and some leaders; or merely as a result of an Arab-international decision. Also the partition of Lebanon and the Lebanese people cannot be achieved merely by a political decision made by this or the other agency which is only trying to work for its implementation.

Whether its objective is unity or partition, any political decision must have the necessary and the adequate concrete data so that the political view that ensues can be consistent with what does in fact exist.

It was from this understanding that President Ilyas Sarkis set out on the regime's course since he took over its leadership late in 1976 when the 2-years' war was winding down. The war was later resumed with other methods and means.

When the Lebanese president came with his first government, he selected in it certain figures that would be capable of pursuing with him from

a position of action and faith a policy that would restore Lebanon to its pre-war state, regarding the unity of its land, its people and its institutions and, accordingly, bring about the redevelopment and modernization of Lebanon's political and economic system on foundations that grasp the events and go beyond them.

Among those figures was the minister of post and telecommunications, Engineer Michel al-Murr. Never before had all the parties--regardless of their different trends and affiliations--agreed [on anything] as they did agree on asking that he be returned to the present new government.

This was not merely an appreciation of the man for the success that he did achieve in the midst of the most difficult and the most cruel circumstances in a ministry whose role had assumed political and national proportions at this stage. It was rather [the expression of] a determination that this ministry pursue its basic role of re-establishing the communications among the Lebanese people that had been disrupted and confronting with much effort, flexibility and diplomacy the attempts--or rather, the numerous conspiracies--that sought to keep the lines of communications cut among the Lebanese people who can be found in those regions which became somewhat geographically separated from each other as a result of the events. Accordingly [similar attempts and conspiracies] sought to work gradually and more than once to isolate Lebanon from the world by suspending its communications with the outside world to eliminate once and for all the myth about the successful role that Lebanon played in the area of services and in the area of being a center for the movement of foreign and Arab capital and investments.

Once I told Minister al-Murr, "You were able to reunite Lebanon and to restore accord underground among the Lebanese people." He said, We hope others will succeed in achieving all this above ground!"

Ever since that time I have been trying to persuade Minister al-Murr to let me conduct an interview with him in the course of which we would only talk about the political and the patriotic role that was played and is being played by the telephone.

During that stage and every time [I approached him], he would request a postponement until a suitable time. I do not know whether the time when the minister approved the interview was the suitable time that he had in mind or not. At any rate persistence played a major part in the matter. We began the interview.

[Question] The attainment of national accord can ultimately become a reality only as the result of different efforts carried out by all the national organizations and administrations. Using this understanding as an analogy, the role of your ministry in this stage has assumed numerous political and national proportions. How can this role be presented and defined?

[Answer] Ever since the beginning we set out to do our work in the context of a program whose objective was unity. We had to come up with a future design that would translate our view not of the existing situation, but rather of a geographical map that would make it clear that Lebanon was an indivisible unit, whose north, whose al-Biqa' and whose south were an indivisible unit.

If you were to review the telecommunications map that we drew, you would see that next year you will be able to make a telephone call from Tripoli to Sidon, Bikfayya, Zahlah, Beirut and other cities. [You will see that] these cities and the remaining villages are only a few kilometers apart.

We set out also with the idea that the telephone was the life line for accord. If it becomes difficult for leaders to meet publicly for reasons beyond their control, they can meet daily and every minute via the telephone lines. Add to this that the citizens who were called residents of the east or residents of the west are in fact and in reality residents of all of Lebanon. It is our duty to ensure for them the daily means of communications and contact [because] it is this that would give them the permanent feeling that they are citizens of the same country, that they are in the same boat [together] and that they are close to each other despite all the artificial barriers that make them appear as though they were divided. It was through this political understanding that we designed the telephone system which we are implementing. We hope that we will be successful and that we will have this design operational before the end of 1981.

Despite the fact that some leading citizens are wary of using the telephone because of the wave of rumors about telephone lines being tapped, most of the citizens--Christians and Muslims--call each other on the accord life line, and they overlook the tapping complex by saying, "It makes no difference to us; let anyone who wants to listen, listen. We are Lebanese citizens, and Lebanon wants to come back."

[Question] This is what you have planned for, and this is what you are trying to implement. But what is the nature of the difficulties that you encountered?

[Answer] The fact is that the principal center from which the telephone cables emanate is located in the banking street, Riyad al-Sulh Street. From there, [the cables] turn towards al-Jimmayzah, al-Ashrafiyah, and they pass through al-Burj. Another part goes in the direction of al-Hamra, al-Mazra'ah and al-Bastah.

It is very easy to cut what is called the communications cable between the center of al-Ashrafiyah and the center of al-Hamra by forcibly cutting the cables. This would lead to the separation of one region from another. This was going on during the period of the 2-years' war. We were faced during the past period with a few cable cutting actions in the area [that is located] under Bisharah al-Khuri Street which connects the western region with the eastern region.

The purpose of cutting those cables was either sabotage, cutting areas off from each other or stealing the cables. But the outcome was the same: one area was isolated from another. We utilized all the security, media and technical means [that were available to us] to fight these actions. I asked television many times to take pictures of the locations of the cut cables and to show them to the public so that the citizen could have a sense of the stealthy hand that was engaged in the sabotage and in isolating areas from others. I think we have succeeded in this especially since the media--radio, newspapers and television--helped us to do so.

[Question] Ever since the beginning of the events we have been seeing attempts by various agencies to cut communications between Lebanon and the outside world by disrupting the operations of certain lines or cables. Can you shed some light on the nature and the consequences of these attempts?

[Answer] The fact of the matter is that the question of communications with the outside world did not suffer from the cable cutting problem as was the case with internal communications. However, numerous attempts were made to take over Lebanon's economic position in the Middle East. These attempts were sometimes made by Middle Eastern countries or by Arab countries.

[Question] Could you explain this further, Your Excellency, Mr Minister?

[Answer] It is known that international telecommunications, that is, international telephone and telex [operations] are a basic foundation in a country such as Lebanon where international communications at their best are supposed to be guaranteed. Attempts were made in international organizations to take over Lebanon's position, and there were other attempts that sought to put down plans for an international communications system in the Middle East that would bypass Lebanon. But none of these matters went beyond being attempts. I undertook a series of initiatives last year, and we immediately began to increase [the number of] international lines. We increased the number of Lebanon's communication lines with the outside world from 300 lines, distributed to all the countries, to 600 lines. By the end of 1981 it is expected that we will have 1,500 lines so that any foreign, local, banking or tourist organization can ensure its communications with any country in the world automatically and immediately.

We have also equipped the telex system with complete international lines that would make communications with any country in the world possible in a matter of seconds. We've attended several international conferences at which we did establish that Lebanon was prepared to furnish its international communications equipment with the most modern means. We insisted that Lebanon remain a principal center for these communications, and this was what happened.

Today we can consider the status of international communications to be better than it was before the events broke out. We can also say that the

foreign organizations have gone back to their basic conviction that there is no substitute for Lebanon in this region as a country for services and as an economic and a commercial center that ensures all the means of communications and all the facilities that result therefrom.

[Question] Whenever there is a conspiracy of this magnitude to isolate Lebanon and to take away its role, such a conspiracy cannot be resisted by technical measures only. Instead, there must be certain political assumptions in whose light official action is taken with the major western powers and the internatonal organizations, [is that not so]?

[Answer] Over a year ago I personally attended one of the international conferences. It is known that when some evil is intended for Lebanon, the evident signs of this intention are not political or conspiratorial, but they are rather couched in professional or technical reasons. It was said, for example, that Lebanon could not ensure the international system that would qualify it to become the primary center for communications in the Middle East. Therefore, we had to invalidate this technical excuse because [we realized] it would be difficult for the countries that wanted to take Lebanon's role to reveal their intentions openly and to put their cards on the table if we were to invalidate the technical excuses and pretexts. The purpose of our communications and our contacts was to prove that Lebanon did still exist and that it was still capable of meeting everything that was required of it. We actually proved this to them in 1 year. Today, we feel that we have regained our full role in this regard.

[Question] Your Excellency, Mr Minister, such excuses had to be backed by a major political decision. If such a decision still exists, this means that the conspiracy goes on, [does it not]?

[Answer] I want to separate this thing that you call a conspiracy from the political conspiracy to which Lebanon is being subjected. I want to call this thing competition only. This means that there are countries that have tried and are trying to compete with us for our economic and commercial position. There is no doubt that we did communicate with friendly countries and that our communications were met with responsiveness and assistance that were evident during the international conferences. But this does not deny the fact that some countries wish to compete with us for our position in the Middle East. Specifically, they want to take over this position by taking advantage of the difficult circumstances that Lebanon is experiencing. But despite all the attempts and despite the security situation which Lebanon is experiencing, we see that the major international corporations, the major banking corporations and the international press organizations have returned and made Lebanon their principal center, disregarding thereby all the difficult security conditions that are there at present because of the facilities they found available, especially in the area of international communications.

[Question] Do you have [any] figures about the number of corporations and organizations that have returned to Lebanon?

[Answer] Seventy percent of the organizations and corporations that had left Lebanon in 1976 have returned. We know this from the applications for telphone and telex lines that they submit. This is also evident from the volume of communications between Lebanon and the outside world. The number of telephone communications minutes only is now double what it was in 1975.

[Question] You are one of the ministers who stays in the background. Is this an indication of Lebanon's return to its former state?

[Answer] There is no doubt that when international corporations look at the Lebanese situation in 1981, their view of it is quite different from the view they had in 1976. This is because Lebanon has withstood the conspiracy and has overcome the danger of extinction. No matter how long the deteriorating security conditions continue or how long the Lebanese crisis will continue, what has been established with all the Lebanese people and with the foreigners is the fact that Lebanon has overcome the danger and that its people are devoted to the survival of this homeland. From this perspective we can say that when a foreigner looks from a distance and compares his feelings in 1976 with his feelings in 1981, the outcome of this comparison is the conviction that the period of danger is gone. It is on this basis that he decides to return or to think about returning to do business in Lebanon.

[Question] Your Excellency, Mr Minister, there is a question that in time has become an incomprehensible riddle. We can communicate directly from Lebanon with any western capital in the world. We can do the same thing from any Arab country, but we cannot communicate from Lebanon to the remaining Arab countries or from some of the Arab countries. What is the secret behind this?

[Answer] This matter is not related to Lebanon alone or only to our ministry. If we prepared ourselves to communicate with all the Arab countr , and the Arab countries did not prepare themselves to communicate with us, the result of that is that we would not be able to communicate by telephone with these countries.

We in Lebanon are prepared to communicate with every Arab country. What is left is that there be universal Arab determination on this matter which can be realized via an Arab satellite. It is regettable to say that the delay in implementing this project is due to the fact that financing part of its costs was not ensured. In the past, 5 years ago, the Arab countries had estimated the costs of this project to be about 100 million dollars. Today, costs have risen to 150 million dollars. Several meetings were held between the Arab countries participating in the satellite project, and it was recently decided to undertake it. If this project is implemented as of now, the problem of difficult communications between the Arab countries and with them will be solved in 1 year. We in Lebanon are saying that we have all the equipment that would enable us to communicate automatically with all the Arab countries. The fact is that we did make several contacts

with Arab countries. During this past year the number of telephone lines with all the Arab countries has doubled. Nevertheless, the numbers are still inadequate. We are hoping to double them again in 1981, especially those lines with the Arab countries that are themselves equipped to transmit and to receive.

[Question] The fact that you have remained all this time at the head of the Ministry of the Post, Telegraph and Telecommunications, was that at your request or are there political agencies that asked that you be given another cabinet portfolio to achieve there what you achieved in this ministry?

[Answer] When the second government was formed, I asked that I be given another cabinet portfolio in the government. But my request was denied by the authorities, and there was an insistence that I return to this ministry in particular so that we can complete the execution of the projects that I had begun. The reason for my request is the fact that the Ministry of Post and Telecommunications is ungrateful. No matter how much one gives it of one's effort, one's time, one's money and one's health, it cannot meet all the needs and the demands of citizens because of the problems and shortcomings that have been accumulating in it for years and years. The citizen does not think about these accumulations, but when his request is not met, he considers the ruler or the minister to be responsible and he does not want to understand that the security condition, the condition of the treasury, the state of the administration and the conduct of the employee are all factors that do not help us meet his request with the necessary speed. Therefore, no matter how much one gives to this ministry, one is always asked to give much more. It is for this reason that I say that this is an ungrateful ministry. It is for this reason that I had asked to leave it, but what is destined is destined and the decree has been issued.

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CSO: 4802

CONSUMER PRICE INDEX FOR 1980 RELEASED

Beirut AL-ANWAR in Arabic 24 Jan 81 p 4

[Article: "Text of the Workers' Federation Index for Adjusting ages: 23.6 Percent; Food: 15.1 Percent; Clothing: 18.2 Percent; Housing: 9.4 Percent: Medicine: 12.8 Percent; Education: 19 Percent"]

[Text] Two days ago Dr 'Abd al-Rahman al-Li.an, the minister of labor and social affairs received the 1980 consumer price index prepared by the General Federation of Workers. It showed that during 1980 prices rose by 23.6 percent, as AL-ANWAR has previously reported.

The categories of expenditures covered in the Workers' Federation index are detailed below.

Compared with a base index of 100 in 1966, the consumer price index was 409.1 during December 1980 in Beirut, and was 389.9 in September 1980.

This means that after seasonal adjustments, prices rose 2.6 percent during the last quarter of 1980. Likewise, comparison of the consumer price index in March, June, September and December 1980 with the consumer price index in the corresponding months of 1979 shows that consumer prices rose by about 23.6 percent over 1979 prices (taking an average of the 4 months). A comparison between each of the 4 months individually shows that the price index rose by about 29 percent between March 1979 and March 1980, 29 percent between June 1979 and June 1980, 22 percent between September 1979 and September 1980. This indicates that the rate of inflation slowed during the second half of 1980.

1. Food

The consumer price index for food was 504.9 during December, which was a 3.1 percent increase during the last quarter of last year (that is, between September 1980 and December 1980), and up 15.1 percent from December 1979. While the prices of many items rose signficiantly, the prices of the following items were fairly stable between September and December 1980: starchy foods; meat and meat products; alcoholic beverages. The price of fruit dropped by 7.5 percent.

The following table shows the most significant quarterly food price increases since December 1979:

(figures in percent)

	Since December 1979	Since March 1980	Since June 1980	Since September 1980
Sugar products	83.9	60.5	17.6	16.4
Milk and cheese	25.3	18.3	11.1	10.0
Fats and oils	11.6	10.9	8.1	4.0
Juices, soft drinks and bottled water	9.4	9.4	6.3	4.2
Eating out	64.0	44.9	24.3	12.0

It should be noted that vegetable prices were down 5 percent from December 1979.

Clothing and Linens

The price index for clothing and linen during December 1980 was 624.6, a 2.9 percent rise from September 1980, 10.8 percent above June 1980, 14.5 percent above March 1980, and 18.2 percent higher than December 1979.

3. Housing

Housing costs did not register any significant increases from June 1980 to December 1980. But they were up 3.8 percent from March 1980 and 9.4 percent for the year from December 1979.

It should be noted that the cost of fuel, lighting and electricity rose by 26.4 percent from December 1979. New rentals were not included in the calculations for this index.

4. Other Expenditures

The index for this category was 339 (based on 1966 equalling 100). The rate of increase for the year was 19.8 percent from December 1979. Drugs and the cost of medical care rose by 12.8 percent during the year. The personal care category rose by 15.5 percent over December 1979. Entertainment, tourism and leisure activities rose by 31.9 percent from December 1979. The following table shows the increases in the most important items in this category of expense:

	Since December 1979	Since March 1980	Since June 1980	Since September 1980
Medical care and drugs	12.8	9.2	5.2	1.6
Personal care	15.5	13.6	6.0	1.9
Education	19.0	19.0	19.0	1.7
Entertainment, tourism and leisure activities	31.9	36.5	20.4	9.3
Cleaning and home cleaning products	26.9	6.7	5.2	1.9

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PORT OF BEIRUT SHIPPING FIGURES GIVEN

Beirut AL-NAHAR in Arabic 26 Jan 81 p 6

[Article by Michel Margus: "2,732 Ships Called at the Port of Beirut in 1980--Up by 21 Percent Over 1979; They Delivered 2.731 Million Tons and Loaded 248,000 Tons--Up by 14.6 Percent"]

[Text] Monthly statistics on shipping traffic in the port of Beirut in 1980 show that there has been a significant increase due to growth following the disturbances in Lebanon. However, it has not reached the level of 1974 which is considered the base year for Lebanon's economic activity as a whole.

Steamships

The total number of steamships which called at the port was 2,732, an increase of 21.0 percent over 1979. These included 2,508 merchant ships, up 17.9 percent; 158 sailboats, up 95 percent; and 66 oil tankers, up 34.7 percent. The ships flew the flags of 42 nations. The most significant of these were Lebanon with 764 ships; Greece, with 264; Cyprus, 182; Panama, 181; Italy, 134; USSR, 125; Turkey, 94; West Germany, 92; Romania, 84; Great Britain, 83; East Germany, 80.

The largest number of oil tankers were Italian, with 26; Panama, with 19; Greece, with 6; and Cyprus, with 6.

There were 152 sailboats flying the Egyptian flag; 4 flying the Lebanese flag; and 2 the Syrian flag.

Cargo

The merchant ships delivered 2,540,945 tons, 13.3 percent more than in 1979. They loaded 240,694 tons, an 8.9 percent increase. Total traffic was 2,781,639 tons, a 12.9 percent increase, in addition to 215,827 head of cattle.

The sailboats delivered 20,214 tons and loaded 7,362 tons, a total of 27,576 tons, an increase of 179.6 percent over 1979.

Oil shipments to Lebanon amounted to 170,428 tons, a 36.0 percent increase.

In all, 2,731,587 tons of freight were shipped to Lebanon, an increase of 15.0 percent, while 248,056 tons were loaded, an increase of 9.7 percent. Total traffic amounted to 2,979,643 tons, a 14.6 percent increase over 1979.

Greek ships occupied first place in carrying goods to and from the port of Beirut. They accounted for 638,218 tons, 22.9 percent of the total. Lebanese ships--because of the large number of them--occupied second place inasmuch as they accounted for 476,438 tons of goods, 17.12 percent of the total. Panamanian ships carried 171,060 tons, or 6.1 percent. Cypriot ships carried 163,256 tons, 5.8 percent of the total. Romanian ships carried 154,203 tons, 5.5 percent of the total. Italian ships carried 148,989 tons, 5.3 percent of the total; Soviet ships carried 137,780 tons, 4.9 percent. Accordingly, the 1,734 ships of these nations--69 percent of the total number of ships--delivered and loaded 67.6 percent of the goods.

Types of Cargo

Various goods in 51 categories were shipped to the port of Beirut. The following are the most important: iron, metals and metal products: 392,276 tons; grain: 316,725 tons; wheat: 318,062 tons; building materials: 170,410 tons; chemical and medical products: 131,102 tons; paper and cardboard: 125,606 tons. These categories accounted for 53.2 percent of the total unloaded at the port.

The most important cargo loaded at the port are iron, metals and metal products: 56,933 tons; oil cake and fodder: 34,402 tons; fresh and dried vegetables: 14,037 tons; fresh and dried fruit: 13,379 tons.

There was a considerable drop in sugar imports through the port of Beirut, inasmuch as 10,055 tons were delivered compared with 74,745 tons in 1979. At the same time there were increases in the following items: electrical machinery: 45,700 tons compared with 24,200 tons in 1979; cars: 47,600 tons compared with 26,900 in 1979; wood for construction: 108,000 tons compared with 85,000 tons in 1979; other wood: 35,700 tons compared with 14,400 tons; iron and metals: 392,000 tons compared with 270,000 tons; mechanical equipment and spare parts: 31,000 tons compared with 20,000 tons; tires and inner tubes: 12,700 tons compared with 7,500 tons.

Containers

Another area, container traffic, was active last year, as the following statistics indicate: 786 ships delivered 30,388 containers which held 299,061 tons of goods; 4,312 containers were unloaded and unpacked for delivery within the country; 2,213 containers were unloaded into warehouses; 19,059 full containers were unpacked for delivery within the country; 4 containers passed through in transit; 27,796 empty containers were loaded.

On the basis of preliminary figures the port of Beirut still has links to about 162 ports throughout the world, including the following: 46 Mediterranean and Black Sea ports; 20 Red Sea, Gulf and Indian ports; 28 Baltic ports; 7 Atlantic and English Channel ports; 18 African ports; 6 Great Lakes ports; 7 South American ports; and 17 ports in the Far East.

Transit

Traffic in the free zone was down by 31 percent from 1979. However, transit traffic was up 37.6 percent to 210,237 tons, even though it is still far below the level prior to the disturbances due to the suspension of Jordanian phosphate shipments through the port of Beirut which had accounted for the bulk of the transit traffic.

Passengers

The number of passengers at the port was 5,933, up 34.0 percent from 1979. There were 4,611 arrivals and 1,322 departures.

Month	Number of Ships				Passenger Traffic			Freight Traffic							
								Merchant Ships			Sailboats			Oil Tankers	
	Steamships	Sailboats	Oil Tankers	Total	Arrivals	Departures	Total	Unloaded	Loaded	Total	Unloaded	Loaded	Total	Fuel	
January	190	14	8	212	-	-	-	184,167	18,119	202,286	1,713	719	2,432	25,380	
February	191	21	9	221	404	90	494	182,285	22,275	204,560	4,012	242	4,254	21,589	
March	214	19	2	235	481	92	573	212,837	22,165	235,002	3,651	586	4,247	13,909	
April	212	7	1	220	151	32	183	201,041	26,676	227,717	1,069	265	1,334	-	
May	234	25	5	264	420	76	496	269,524	26,706	296,230	3,769	105	3,874	11,245	
June	199	8	7	214	539	187	726	222,592	18,603	241,195	1,513	438	1,951	10,244	
July	217	7	6	230	654	336	990	198,343	14,466	212,809	1,354	559	1,913	7,504	
August	198	1	5	204	471	136	607	171,497	13,788	185,285	32	11	43	7,479	
September	208	13	5	226	625	141	766	195,783	19,152	214,935	719	939	1,658	9,813	
October	221	10	5	236	79	71	150	272,832	19,125	291,957	364	1,115	1,479	19,957	
November	210	17	7	234	256	48	304	213,345	18,331	231,676	699	1,213	1,912	11,360	
December	214	16	6	236	531	113	644	216,699	21,338	238,037	1,319	1,160	2,479	29,968	
Total	2,508	158	66	2,732	4,611	1,322	5,933	2,540,945	240,694	2,781,639	20,214	7,362	27,576	170,428	
Total 1979	2,127	81	49	2,257	3,292	1,136	4,428	2,242,731	220,871	2,463,602	5,021	4,039	9,860	125,299	
Change (percent)	17.9+	95+	34.7+	21.0+	40.0+	16.3+	34.0+	13.3+	8.9+	12.9+	247.2+	82.2+	179.6+	36.0+	

Month	[contd] Freight Traffic			Free Zone and Transit Traffic (tons)				
	Total Freight Traffic			Free Zone System		Customs System	Free Zone	Transit
	Unloaded	Loaded	Total	Total Consumption	Transit	Transit	Total	Total
January	211,260	18,838	230,098	624	939	12,374	1,563	13,313
February	207,886	22,467	230,353	426	565	17,150	991	17,715
March	230,397	22,761	253,158	1,288	1,169	15,813	2,457	16,982
April	202,110	26,941	229,051	1,167	1,461	13,798	2,628	15,259
May	284,538	26,811	311,349	1,167	1,461	13,798	2,628	15,259
June	234,349	19,041	253,390	714	843	12,036	1,557	13,879
July	207,201	15,075	222,226	798	1,109	12,581	1,907	13,690
August	181,008	13,799	194,807	749	1,157	19,330	1,906	19,330
September	206,315	20,091	226,406	57	341	27,916	398	28,257
October	293,153	20,240	313,393	590	463	17,360	1,053	17,823
November	225,384	19,544	244,928	27	427	11,798	454	12,225
December	247,986	22,498	270,484	655	1,943	23,405	2,598	25,348
Total	2,731,587	248,056	2,979,643	8,262	11,878	198,359	20,140	210,237
Total 1979	2,373,851	225,935	2,599,786	11,600	15,600	137,200	29,200	152,800
Change (percent)	15.0+	9.7+	14.6+	39.25	23.8-	44.5+	31.0-	37.6+

Container Traffic

Month	Number of ships	Number of containers delivered	Weight in tons	Unloaded for delivery	Unloaded into warehouses	Shipped out full	Shipped through transit	Loaded
January	57	2,133	20,546	293	196	920	-	1,939
February	55	2,169	22,160	281	199	927	-	1,754
March	63	2,578	25,059	384	196	1,289	-	2,080
April	67	2,449	24,183	363	210	1,263	-	2,395
May	73	2,707	26,271	366	214	1,375	-	2,889
June	64	2,586	25,477	434	116	1,301	-	2,065
July	65	2,489	23,828	440	215	1,808	-	2,263
August	63	2,715	26,071	467	181	1,883	2	2,601
September	69	2,272	23,287	292	110	1,664	-	2,577
October	73	2,809	28,263	384	167	2,047	2	2,317
November	68	2,746	25,924	311	204	2,297	-	2,430
December	69	2,735	27,992	297	205	2,285	-	2,486
Total	786	30,388	299,061	4,312	2,213	19,059	4	27,796

Ship Tonnage and Registration

Country	Number of vessels	Tonnage (delivered and loaded
West Germany	92	87,801
United States	1	425
Great Britain	83	52,373
Bangladesh	1	1,270
Bermuda	24	15,935
Bulgaria	8	9,526
China	15	40,953
Cyprus	182	163,256
Denmark	22	19,902
Egypt	21	2,774
Ecuador	1	644
Spain	11	9,225
Finland	2	414
France	42	14,862
Ghana	1	640
Greece	264	638,218
Netherlands	17	117,547
Honduras	17	2,059
Hungary	15	17,654
Italy	134	148,989
Japan	23	26,427
Lebanon	764	476,438
Norway	9	4,606
Liberia	28	85,571
Malaysia	15	37,823
Panama	181	171,060
Morocco	3	618
Poland	12	11,034
Philippines	4	4,527
East Germany	80	102,615
Romania	84	154,203
USSR	125	137,780
Sweden	21	48,960
Syria	26	9,174
Czechoslovakia	26	23,292
Turkey	94	53,387
Yugoslavia	59	60,710
Malta	2	11,366
Switzerland	1	26,982
Saudi Arabia	2	-
Portugal	1	859
Korea	1	486
Total	2,508	2,781,639
Oil Tankers		
Greece	6	11,844
Cyprus	6	9,238
Italy	26	42,289
Panama	19	80,687
Great Britain	4	10,607
Liberia	2	12 824
Saudi Arabia	1	4,000
Cuba	1	1,200
Norway	1	6,300
Total	66	178,989
Sailboats		
Egypt	152	26,518
Syria	2	549
Lebanon	4	509
Total	158	27,576

Types of Cargo

Cargo	Unloaded	Loaded
Live animals (head)	208,857	6,970
Electrical machinery and spare parts	45,727	2,485
Asphalt	38,211	-
Cars and spare parts	47,608	300
Wheat	318,062	-
Wood for construction	108,249	712
Wood and wood products	35,787	1,884
Soft drinks and alcoholic beverages	4,525	915
Coffee beans, tea and spices	3,800	2,723
Liquid fuel	118,945	-
Grain	316,725	3,231
Coal	8,604	-
Cement and soil	46,334	-
Canned food	20,221	3,599
Raw cotton and cotton scrap	288	37
Dyes and dye derivatives	17,681	133
Chemical fertilizer	52,339	-
Flour	3,346	-
Iron, metals and metal products	392,276	56,933
Fresh and dried fruit	11,574	13,379
Glucose and molasses	2,751	-
Seeds for pressing to make oil	80,517	5,911
Various seeds	3,956	1,718
Mineral oil and lubricants	12,259	728
Vegetable oil and grease	13,774	3,457
Raw wool and fur	174	1,374
Milk and dairy products	37,390	1,275
Fresh and dried vegetables	29,980	14,037
Machines and spare parts	31,755	595
Construction material	170,410	5,118
Iron products	-	-

Types of Cargo [continued]

Cargo	Unloaded	Loaded
Onions	11,616	82
Oranges, lemons and other citrus fruits	-	-
Phosphate	-	-
Paper and cardboard	125,606	3,446
Leather and sandals	1,984	1,760
Tires and inner tubes	12,701	991
Potatoes	89,369	1,607
Various food products	43,697	5,526
Chemical and medical products	131,102	2,329
Rice	17,591	-
Salt	2,406	-
Bran and oats	--	-
Sugar	10,055	6,545
Textiles and thread	15,739	2,053
Oil cake and fodder	49,896	34,402
Glass and glass products	34,194	3,198
Used clothing	22,598	285
Other items not included above	92,359	63,258
Items of less than 5 tons	65,823	2,040
Butane gas	51,483	-
Total	2,731,587	248,056

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PAPER EXPOUNDS THEORY OF ARMING POPULACE

LD011449 London AL-ZAHF AL-AKHDAR in English 27 Mar 81 p 10

[Unattributed "Theory" article: "Abolishing the Army"]

[Text] The Libyan Jamahiriyah's essential attribute is the fact that there exists a people without a government. In this Libya differs from any country in the world. This essential attribute arises from the green book's recognition that any instrument of governing, by the inherent fact that it is not all the people, cannot but exert power over the people and thus oppress them.

A government, in order to rule, has to equip itself with other tools which it uses to impose its power at home and abroad. One of those essential tools is the military establishment, and the world over we find government preparing, organising and financing national armies, meant to serve the authority in power. But given that those authorities are tools of governing which in the final analysis are oppressive in regard to the people, logically their own tools, such as armies, are also repressive.

The abolition of the instrument of governing, as called for by the green book and as implemented in the Libyan Jamahiriya, has therefore as its logical corollary the abolition of the army as well. This demand is contained in the definition of a genuinely free people, as a people that possesses authority, wealth and arms.

In the economic field, when one small segment of the population is the sole owner of the wealth and of the means of production of a country, then we speak of capitalism--and capitalism means the exploitation of the many by the few. The essence of socialism therefore resides in the people's undivided ownership of all the means of production and of wealth of the nation.

In the political sphere, no one may represent anybody else. The green book has proved beyond a shadow of a doubt that all representational governments, be they parliamentary or one-party regimes, are essentially dictatorial in character because they usurp authority which rightfully belongs to the people. In the Libyan Jamahiriya therefore, all political power is exerted by the masses themselves, via the popular congresses, syndicates and professional associations. Only by safeguarding that system, only by making absolutely certain that representation does not creep in, will the authority remain with its rightful owners, the people.

The third element which defines a free people is ownership of arms. Without this, the first two elements would be worthless, because any achievements in the political and economic sphere the people might make would continuously be threatened by force of arms.

If economic monopoly is reactionary, then surely the monopoly of arms is reactionary too. It has therefore always been the policy of the Libyan Jamahiriyah to arm its people.

Libyan society is a society of armed people who are able to protect themselves and their hard-won freedoms against attempts by the outside forces of imperialism, as well as against possible interior fascist or dictatorial coup. Although the process of arming the people is well under way, it is important to speed up its completion in order to face the mounting challenges of the imperialist, zionist and other reactionary forces that are only waiting for the flightest sign of weakness in our revolutionary struggle to pounce on us, like the vulture pounces on a tired animal.

The abolition of a monopolistic military establishment is necessarily the by-product of arming the people. With all the arms in the hands of the people, there is no more need for an army of the type that the non-democratic governments of the world rely upon to stay in power. The disappearance of that corps will also eliminate the possibility of a reactionary coup, since it will abolish the means by which a powerful interest group could seize power from the people.

Everyone in our country should therefore become a soldier in order to defend the progressive society we live in. This cannot be achieved except through training in the use of modern weapons and through continuous readiness to defend our achievements and to die for the cause of the revolution. Men and women alike are required to stand side by side in this task. That is why Libyan women, who are already involved in the political and economic tasks, also have to join in the carrying of arms.

The revolutionary forces who deeply believe in the principles of the al-Fateh revolution and in the dicta of the third universal theory, are aware of the extreme seriousness of this stage and of the need to defend the people's authority and their achievements. Only if this stage is successfully fulfilled can we lay claim to be nearing the completion of the revolutionary task.

CSO: 4820

BRIEFS

COASTAL DEVELOPMENT--In view of the decisions and recommendations of the basic popular congresses with regard to the redevelopment of the coastal strip, the actual implementation of the development plan for the coastal strip will begin on 28 March, the anniversary of that great day in the history of our people's struggle--the anniversary of the eviction of the British bases from the homeland. Sources in the General Popular Committee for Agrarian Reform have stated that on that day, the committee will begin implementation of the plan, with a view to restoring life to the coastal strip areas. The sources pointed out that the plan aims to preserve the subterranean water reserves, check overconsumption and ration the use of water in the coastal strip so as not to exceed the natural capability of the subterranean reservoir. It also aims to replan the area, dividing it into integral agricultural units, in the light of the water resources available, to insure maximum use of water, and also do away with breaking up and dispersing units. It also aims to redistribute these units among farmers who are totally devoted to agriculture, thus insuring an honorable life for such people without them having to rely on other sources of income, and raising the productivity of the agricultural lands with a view to attaining self-sufficiency. [Text] [LD271744 Tripoli Domestic Service in Arabic 1600 GMT 27 Mar 81]

CLERGY ARRESTS--Cairo, 30 Mar (MENA)--The weekly newspaper MAY reports that Libyan authorities recently arrested Libyan Shaykh Muhammad al-Bashti after he delivered a Friday sermon in a Tripoli mosque in which he criticized al-Qadhdhafi's attitude toward Islam, his repressive and terrorist policy against the Libyan people, and his arrest of thousands without any legal justification. Al-Qadhdhafi instructed the members of the revolutionary committees to beat up the mosque preacher right outside the mosque. He was then taken by car to an unknown destination. The Libyan authorities have also arrested more than 60 mosque imams and thrown them into prison. It is known that Muhammad al-Bashti had completed his studies at al-Azhar University in Cairo. [Text] [NC300806 Cairo MENA in Arabic 0710 GMT 30 Mar 81]

CSO: 4902

INVESTMENT COMPANY'S PORTFOLIO DESCRIBED

Bahrain GULF MIRROR in English 14-20 Mar 81 p 25

[Text]

EURO-KUWAITI Investment Company was in there with the oilmen at this week's Middle East Oil Show — with an energy portfolio among the investment options for a minimum $20,000.

EKIC is a Kuwaiti-based company, represented in Bahrain by Brian Self of Commercial Intelligence Services.

Apart from an investment fund open only to Kuwaitis, the company has four separate funds geared to international investors.

The energy fund concentrates on US and Australian stocks, and is described as "slightly more risky" than the company's International Fund, since it restricts its investments to a single field.

Profit

A performance report for the energy portfolio for 1980 shows a 61.8 per cent profit at the end of year (exclusive of management fees) for those who kept their money in.

The growth pattern was steady from July onwards, but fluctuated in the earlier months.

Investors who took their 21.3 per cent profit in June but left in the principal, would have made a total of 54.9 per cent on the year, before deductions.

The International Portfolio is designed for security of capital, with investments in government securities, banks and blue-chip companies in the US, Europe, Australia and Japan.

Mid-year profit-takers ended up with 46.9 per cent gross return on the year, while those who let the profit accumulate over 12 months gained 52.1 per cent.

Advisers

The Pacific Basin Fund, on which management advisers are M and G Investment Management, and which is quoted in the Financial Times, showed a 63.2 per cent gross profit on the year.

EKIC's fourth investment portfolio is a "risk" investment designed for the speculator seeking high returns, on the options market in stocks and shares.

Mr Self warns: "In this portfolio the investor may lose his capital — but it has not happened yet."

The 1980 performance report on what is called the Leveraged Portfolio in fact shows a gross profit for those with strong nerves, of 210.02 per cent, over the 12 month period.

By taking a profit at mid-year, the return dropped to 158.8 per cent.

EKIC were also at Arab-Build, and answered some 50 investment enquiries over the period of the show.

CSO: 4820

SHIPPING COMPANY RECORDS FIRST PROFITS

Bahrain GULF MIRROR in English 28 Feb-6 Mar 81 p 2

[Article by Shamel Khatry]

[Text]

FOR the Kuwait-based United Arab Shipping Company (UASC), 1980 was the first profitable year since its formation in 1976.

Preliminary indications, pending the publication of the company's 1980 annual report, are that UASC will now be able to cover the major part of its "carried forward" losses, estimated at KD 9.5 million.

This achievement was described by the company's general manager Abdel Aziz Salatt as an outstanding "victory" for the newly formed company "in the face of heavy competition on the part of international navigators in an already declining market."

UASC is owned by Kuwait, the UAE, Bahrain, Saudi Arabia, Iraq and Qatar.

It has an authorised capital of KD 500 million, of which KD 200 million is paid up.

UASC was formed in 1976 when the shipping market was in a three year period of decline (1976-1978). Some firms were hit by severe losses and others went out of business altogether.

The United Arab Shipping Company also sustained heavy losses during the decline period, but thanks to subsidies provided by the founding Gulf states, the company was able to survive and continued to provide substantial trade services to the region.

At present, the role of UASC is of paramount importance in serving the economic interests of the Arab Gulf states, without the need to penalise speedy profit margins.

The company is adopting this attitude to ensure that the Gulf states are not exploited by other operators and to check attempts of "piracy" on the part of foreign shipping companies.

The company has been able to check all attempts by insurance corporations to impose higher premiums on war risk insurance following the Iraqi-Iranian war, Mr Salatt said.

Shipping lines operating in the Gulf region had imposed additional premiums and declared increased freight rates, he added.

The previous rates applied by foreign operators were six per cent by the European union, 12 per cent by the Mediterranean, five per cent by the Japanese and Far East Union while the American Association charged $4.5 a tonne.

Following the outbreak of the Iraqi-Iranian war, foreign insurance houses imposed additional war risk premiums.

The European Union imposed 15 per cent, the Mediterranean Union 30 per cent, the Japanese and Far East 15 per cent and U.S. said they will charge $20 a tonne.

United Arab Shipping was bound to stand firm in the face of attempts "to exploit the special circumstances of the region," Abdel Aziz Salatt said.

In recording its objection over the increased rates, the company notified all marine unions operating in the region to continue applying the old rates, he added.

UASC was able to maintain the old rates for the region, (except for Iraq) thus saving millions of dollars for businessmen operating in the Gulf.

To cope with international developments, UASC is now using containers, and plans to increase the number of container ships to cope with increasing exports to Europe, Japan, the Far East, the United States and other Arab states, Mr Salatt said.

At present the company is operating four container ships and due to the increasing need for cargo space, three other vessels were converted last year to join the container fleet, he added.

The company will build six new container ships to replace those on hire, so as to cope with the future needs of the company's clients, Mr Salatt said, adding the new ships are scheduled for delivery later next year.

In the meantime, the company is operating 44 other vessels at an average of 23,000 tonnes each in addition to another 18 of less tonnage.

UASC is now undertaking 40 per cent of the Gulf's cargo traffic, the general manager said.

Studies are underway to determine the operation of special cargo ships for the transportation of motor cars and grains.

In 1976, the company started with only 25 cargo vessels.

In 1980, United Arab Shipping Company operated 380 voyages to Europe, the Far East, the Mediterranean and the United States.

The company carried a gross tonnage of 3.7 million in which 50,000 containers were utilised.

The total number of voyages is expected to increase by 40 this year to enable lifting 4.3 million tonnes using 90,000 containers, Mr Salatt said.

Since December 1980 the company has been engaged in lifting cargo from various Gulf ports to West Germany and the Far East, thus linking production to transport — a move which affirmed the strategic importance of such Gulf shipping facilities, he added.

The company will also develop the transportation of the region's industrial production by operating regular container services between the United States and the Gulf.

In the meantime, the company engages in the training of marine personnel. It is maintaining 150 Arab marine officers and more than 1,400 expatriates.

The company is running 13 branch offices around the Gulf, in Jordan, Japan, the U.S. and Britain in addition to 170 agencies.

"1981 will be another year of profitability" when all previous losses will be off-set," said Mr Salatt, who is the first Arab general manager of the company.

CSO: 4820

INDUSTRIAL INCENTIVES TO BE OFFERED

Jiddah 'UKAZ in Arabic 21 Feb 81 Supplement unpaged

[Article: "To Diversify Revenue Sources: A Firm Policy To Develop National Industry In the Kingdom; Industrial Loans Made By the Fund For Industrial Development Have Risen To 10 Billion Riyals"]

[Text] New industrial zones have been established, and existing zones have been expanded. Their area amounts to 14 million square meters.

The kingdom's industrial policy is concentrating on encouraging the establishment of conditions favorable to industrial development. Because the state is cognizant of the difficulties which stand in the way of establishing an industrial base, it has committed itself to offering incentives to encourage and protect national industry in Saudi Arabia. In 1381 (Hijrah) the state enacted legislation to protect and encourage national industry. It is making great progress in establishing an industrial infrastructure in the kingdom, particularly the industrial zones which have been established in Jiddah, Riyadh and al-Dammam.

The state has adopted a policy of encouraging foreign investment, the participation of foreign experts, and the use of modern technology in industrial development projects in cooperation with Saudi investors. The state continues to offer financial and other incentives to investors in the private sector. This will allow well-run companies and organizations to realize reasonable profits on their operations. These incentives include offering loans from the Saudi Fund for Industrial Development [SFID] on favorable terms; exempting equipment and raw materials imported for industrial projects from customs duties; imposing protective tariffs on certain selected products produced domestically; tax emexptions; offering assistance for studies and operations; offering utility services and fuel at low cost; establishing an infrastructure, including the industrial zones; offering assistance in training the Saudi labor force; a commitment to apply state policy of favoring the use of Saudi products. In past years a program was developed for establishing the industrial zones. The Ministry of Industry and Electricity's department of industrial affairs has been responsible for expanding these zones. It has carried out large-scale expansion of new zones in Riyadh, Jiddah and al-Dammam, and for the first time began work on new industrial zones in al-Hufuf, al-Qusaym and Mecca. The industrial zones were expanded from 3.5 million square meters to 14 million square meters between 1400 and 1401 (Hijrah) as follows:

Riyadh: 4.90 million square meters; Jiddah: 4.04 million square meters; al-Dammam: 3.60 million square meters; al-Qusaym: 0.50 million square meters; al-Hufuf: 0.50 million square meters. A limited industrial zone, with an area of 0.42 million sq square meters is currently being established in Mecca.

Loans To Finance Industrial Projects

The SFID has played an increasingly important role in financing industrial and electric projects. The fund has made loans amounting to 50 percent of the industries' capital expenses, and 100 percent of the capital expenses of the electricity projects. More than 85 percent of registered companies have submitted loan applications to the fund. Between 1394 and 1398 (Hijrah) the fund's share of financing amounted to more than one-thrid of total private investments. The fund's outlays in 1396-1397 (Hijrah) alone are estimated to have been more than 50 percent of the total amount invested in non-petroleum industries. When the industrial projects financed by the fund reach their full capacity, its annual share of total local production will exceed 5.4 billion riyals, which is greater than the total share of the entire financial sector before the SFID was established. The fund has made extensive changes in the types of projects [it finances]. In the past, 54 percent of the loans it granted were for projects which produced construction materials. The demands of increasing development are reflected in the following areas: preformed concrete; prefabricated buildings; clay bricks and products connected with iron mills. Consumer products, especially food production projects, including dairy products, baked goods, meat canneries and processing plants, soft drinks and mineral water projects have received a larger share of the fund's loans. Paper products, textiles, furniture and electrical products also received a larger share. Early last year the fund's interests broadened to include special loans in the area of refrigeration. Due to the higher concentration of capital and a higher level of technology in the projects when compared with the tradiditonal industrial sectors, the projects to which the fund has made loans have shown higher levels of productivity. While the share of total local porduction has probably doubled, the number of workers only went up by 40 percent.

The fund will work to encourage industrial development in a manner consistent with economic requirements. It will encourage Saudi companies to exploit new investment opportunities which have been determined to be beneficial, and which will enable existing companies to make qualitative improvements and improve their ability to compete in world markets. To achieve these goals incentives will be offered to encourage businesses which use local raw materials, those which use technological methods and thus have lower manpower requirements, and projects which support peripherial aspects of industrial activity, particularly the spheres of maintenance, services and repair. The agricultural industries will also be given special consideration, as will mineral projects, and supplementary or subsidiary projects which depend on loans to continue to provide their services. These include market studies and financial studies on economic benefits by which investors are made aware of investment opportunities in the kingdom.

One target that has been set for the fund during the current development plan is to raise the amount of industrial loans to an anticipated 10 billion riyals compared

with 6 billion riyals during the previous plan. The loans will continue to finance electricity projects in accordance with the nation's policy in this area.

The fund's role as a development organization will become more important, along with its role as a lending organization. In addition to concern with the commercial benefits of industrial projects, even greater attention will be paid to the economic and social aspects when conducting studies relating to benefits and project sites. The fund will also strengthen its consulting and guidance services. The fund is expected to provide about 80 loans a year, with the average loan amounting to 25 million riyals. The fund will expand its lending activities to industrial projects which serve the consumer, particularly the food industries. Regional distribution of loans during the coming period will concentrate on projects located in rural districts. Lending will also be concentrated on projects related to electrical transmission and distribution networks.

One of the SFID's most conspicuous programs in the current development plan involves providing industrial advisory services for small investors. It will work to support the economic distribution policy which the state is prusuing by providing loans to mining corporations engaged in commercial prospecting. During the current development plan the fund will also place increased emphasis on actively following up its loans and providing more support activities, such as offering consulting services in the areas of finance, marketing, production, employment, inventory control, and budget preparation. The fund will cooperate with other government agencies concerned with industrial investment sectors, to determine available investment opportunities, and to prepare preliminary studies of the benefits of current and anticipated areas of investment.

An Information Unit For Investors

A unit for providing information to borrowers and investors is to be established. It will be responsible for answering inquiries about state plans and providing statistics and data on the market, regulations, sources of raw materials, and government requirements for competitive bidding. To encourage industrial lending on a regional basis, the fund will open branches in Jiddah and al-Dammam, and will continue to ensure numerous opportunities for training its employees to improve the quality of administration. The fund will incorporate training programs in the loan agreements it makes.

Managing Development Policy

The Ministry of Industry's main programs during the current development plan will include administering and implementing an industrial development policy in the kingdom: maintaining the existing industrial zones and establishing new ones, including those to be established in Khamis Mushayt, Medina and Abha; constructing water desalinization plants; piping water to the existing and new industrial zones; undertaking studies and research to improve current industries and determine potential industrial projects for implementation. Studies and research will also be useful for creating information programs to acquaint investors with investment opportunities in the industrial sector, and for increasing the data available to government agencies and the general population on the possibilities of Saudi industry in general.

The State Organization For Grain Elevators and Flour Mills has investment programs involving the operation of existing flour mills, fodder plants and grain elevators, and the construction of two new complexes of grain elevators, flour mills and fodder plants in Khamis Mushayt and Jizan. Additional silos with a capacity of 155,000 tons will be built in al-Qusaym for storing grain. The organization will also implement several smaller projects to increase the capacity of existing mills.

In the cement industry 5 new cement plants are slated for construction to supplement existing plants in Riyadh, al-Hufuf and Jiddah. Local supplies of cement have been outpaced by demand, dropping from 41 percent to 21 percent of the total required, because of the boom in construction activity in the kingdom.

There will be a need for new factories to produce the industrial gasses needed for air conditioning and refrigeration equipment. There will also be a need for centers for heavy industry. There is an anticipated need for industries which will use the available basic petrochemicals to produce intermediate petrochemical products. For example, a special installation could be built to produce melamine and urea gas which are made from urea. The ethylene produced by the SABAK complexes in al-Jubayl and Yanbu' will provide the raw materials necessary for many different petrochemical products derived from ethylene. There are numerous possibilities in the glass industry. New regional industrial projects could be implemented for producing flat glass and light bulbs. The Saudi-Kuwaiti Council is currently studying the possibility of establishing a glass project. The Gulf Industrial Investment Organization is studying the possibilities of establishing a light bulb industry. Various possibilities exist in the mineral industries. There are links with the hydrocarbon industry, desalinization plants, and the basic mineral industries. The areas of production will expand, and will include construction of pipes and storage tanks, the steel wire industry, foundry products, and forged products. There is an opportunity to establish a local industry for manufacturing automobile parts in the kingdom and in the neighboring Gulf countries. This sector would form a basis for regional cooperation with neighboring countries.

Practical Estimates of Mineral Reserves

The National Bureau of Mineral Resources will continue to follow up and republish summaries of research programs, essential studies, and prospecting ventures. In addition, preliminary estimates will be made to provide the nation with practical estimates of actual and potential reserves of mineral resources other than hydrocarbons. Two intensive exploration programs will be launched for the purpose of discovering new mineral deposits. The first will deal with all aspects of general geological exploration and prospecting. This includes studying stratified volcanic rock and ores. The second program concentrates on exploratory studies of certain selected minerals. This program involves investigating the potential for phosphate mining in the north, east and central districts, and continued assessment of possible deposits of incense. Work is scheduled to begin on a 5-year major program to evaluate the prospects of incense deposits in the Red Sea area. A comprehensive and intensive program to assess the potential for mining uranium in the kingdom is also slated to begin. Another program, which involves prospecting for clay with a high aluminum content and an investigation into the practicability of producing aluminum from this clay, is scheduled to get underway. New explorations for bauxite

will be intensified in the central region through a program to prepare maps fnd carry our excavations. A study to determine the damand for industrial minerals in the kingdom will get underway, as will one to estimate local production costs. The Bureau of Mineral Resources will continue to make regional inventories of minerals and substances with industrial uses. Studies will soon begin to provide the necessary data on the existing infrastructure, the national plans, and the cost of setting up new infrastructures, all of which may have an effect on mining activities. Coordinated efforts to assess water sources will continue in the districts which have a high potential for development of mineral resources. Increased encouragement will be given to the gemstone industry. Two new factories will be built for processing the stones. The mining laws will be reviewed, and amended if necessary. The prospect of modifying the system of tax exemptions for the mining industry by raising the exemption period from 4 to 10 years and having it begin from the date production starts rather than from the date the leasing contract is signed, is being studied. The deposits of iron ore in Wadi al-Sawawin will be evaluated. This will involve determining the suitability of mining these reserves, taking and analyzing specimens, studying the requirements for an infrastructure, and undertaking a full study of the benefits. A preliminary assessment of iron ore deposits in Jabal 'Adsas will be made. If it proves to be encouraging, additional geological and economic studies and explorations will be made. Petromin will continue to cooperate with foreign mining companies to investigate and exploit minerals which have commercial benefits. At the present time the most economically useful minerals are gold in Mahd al-Dhahab, copper in al-Fiqrah and phosphate in western al-Thunayyat.

The Hydrocarbon Industry

The following is a list of the agencies involved in the establishment of hydrocarbon industries:

The Higher Committee On Petroleum: sets general strategy and makes policy decisions; the Ministry of Petroleum and Mineral Resources, Petromin, and Aramco: implementation of a program for pumping gas; the Ministry of Industry and Electricity: implementation of the nation's industrial policy, issuing permits for projects, coordination between the public and private sectors, and supervision of Safco and Petrocid; SABAK: implementation of projects in al-Jubayl and Yanbu' in cooperation with the royal family. It is also responsible for providing the sites and infrastructure for the hydrocarbon industries in al-Jubayl and Yanbu'.

During the current development plan several electricity projects will be implemented. These include a total of [illegible] projects which will eventually provide an additional 7,568 megawatts of generating capacity during the current development plan. Also slated for implementation are 35 projects as part of a program for constructing main and subsidiary transmission lines which will add 6,309 kilometers of electric lines to the existing network. A program for improvement and expansion of the existing distribution system will include providing electric service to 600,000 new subscribers, or more than 4 million inhabitants. A program for administrative development and development of production capacity in the electricity sector will be implemented.

This program will include numerous projects which involve development of human resources and data systems, and development studies. Over the course of the plan a ministerial committee on coordination and follow-up will conduct an annual evaluation of the work being done by the concerned parties to implement these projects to make sure that lack of progress in one area does not impede the general progress toward providing good electric service. One goal of the current development plan is to provide satisfactory electric service to all the centers of population growth, industrial growth and agricultural growth in the kingdom by improving generating installations, transmission and distribution networks, and the support services necessary for meeting all of the needs of consumers of electricity, and by constructing extensive, highly efficient, complete and reliable electricity networks capable of continual growth to meet future needs. National and social responsibilities demand that this development be accomplished at the lowest cost economically socially and environmentally. The combined electric companies will operate in cooperation with the central organizations to develop the equipment and its specifications, to improve operational activities and maintenance procedures, and to raise the level of productivity by developing human resources and strengthening planning potential.

9173
CSO: 4802

FRG TO PROVIDE DEVELOPMENT ASSISTANCE

Khartoum AL-SAHAFAH in Arabic 10 Feb 81 p 6

[Article: "Sudanese-German Cooperation In 1981"]

[Text] During 1981 Sudan will be a key focus of German development policy in Africa. Of the DM 14 billion offered by the FRG to African nations during the last 3 years the Sudan has received DM 666 million in financial assistance, and DM 285 million in technical assistance.

German-Sudanese cooperation is focused primarily on the agricultural sector. German experts have participated in the implementation of more than 50 development projects in the Sudan. More than 200 Sudanese experts completed their training in West Germany.

Some of the most important joint Sudanese-German projects implemented during the last few years are the road project which links Niyala-Zalinji and al-Duwaym-Ralak; the model agricultural project in the Nubian mountains; the construction of a basic health services center in southern Sudan; and harnessing important sources of energy in the Sudan.

Financial assistance is certainly an important part of the FRG's development policy in Africa. The developing countries can use this financial assistance to finance their development projects on suitable terms to make economic and social progress. Technical cooperation is no less important than financial cooperation in this connection.

Some important examples of German-Sudanese cooperation in the area of agriculture are the following projects Bonn is implementing: assistance in combatting plant diseases and preserving plant resources by combatting parasitic plants and flowers in the White Nile province; and experimenting with new substances for combatting diseases and insects which are harmful to agriculture.

Other examples of this cooperation involve providing advice to the Sudanese forestry sector. Bonn is providing this assistance in the heavily forested regions of the Sudan. In the field of vocational training the FRG has provided the Sudan with technical development assistance for the vocational training center in Khartoum. This is one of the most important model projects in the field of vocational education in the Sudan. It has taken on special importance within the framework of Sudanese development and industrialization.

9123
CSO: 4802

DARFUR MINISTERS DISCUSS REGIONAL ISSUES IN KHARTOUM

Khartoum AL-SAHAFAH in Arabic 17 Feb 81 p 1

[Article: "Governor Of Darfur and Darfur Ministers Hold Extensive Talks in Khartoum"]

[Text] Mr Ahmad Ibrahim Durayj, the governor of Darfur, and his deputies and regional ministers, are making vigorous efforts in the capital these days to devise speedy solutions to certain pressing regional problems.

Mr Mahmud Bashir Jima', the deputy governor, and Mr Ahmad 'Abd al-Qadir Arbab, the minister of housing, water and public utilities, met yesterday morning with the director general of the State Electricity and Water Company. They discussed the severe shortage of engineers and technicians. They agreed to make an effort to overcome this shortage in the shortest possible time. The participants at the meeting also discussed the shortage of equipment and spare parts. They agreed to overcome this shortage with equipment available in Khartoum, and to submit immediate requests for those items not available. The director general informed the deputy governor and the minister about the company's plans to expand services. He demonstrated an understanding of the pressing problems confronting the region, and they both promised their full cooperation in solving them. Another meeting between them will be held before the week is up.

Mr Muhammad 'Abdallah Sharif, the regional minister for regional affairs and administration met yesterday morning with Mr al-Shaykh Bashir al-Shaykh, the president's advisor on decentralized rule. They discussed the shortage of administrative personnel in the region. The advisor emphasized that there was a general shortage throughout the country, and he promised to make an effort to overcome it.

Dr 'Ali al-Hajj, the regional minister of public services, met yesterday with the deputy minister of education and his assistant. They discussed the pressing problems in education in the region.

A list of the urgent problems plaguing the region was drawn up. Responsibility for solving them was divided up and added to the responsibilities of the assistant governor and ministers as follows:

The deputy governor and the minister of housing will be responsible for:

a. problems pertaining to transport, electricity, water and spare parts for regional projects.

b. The deputy governor and minister of health will be responsible for elections to the regional parliament and political work at the present time until the formation of the parliament.

c. The minister of agriculture and natural resources will be responsible for food supplies.

d. The minister of regional affairs and administration will be responsible for financial affairs until the return of Dr 'Abd al-Hamid al-Tijani, the minister of finance and economy, from Kuwait where he has gone on official business at the Arab Institute of Planning in Kuwait.

9123
CSO: 4802

ACCUSATIONS OF MALFEASANCE, LABOR UNREST PLAGUE SHIPPING LINES

Khartoum AL-SAHAFAH in Arabic 17 Feb 81 pp 1, 2

[Article by Muhammad Hasan Zaki: "Minister Of Transport Places the Shipping Lines Issue Before the Parliament; the Company Accomplished Its Development Plan, Increasing Its Fleet By 125 Percent; the Minister Calls For a Parliamentary Study Of the Strikes"]

[Text] At its session yesterday the parliament, chaired by Mr Rashid al-Tahir Bakr, the speaker of the parliament, heard a detailed statement by Mr Mustafa 'Uthman Hasan, the minister of transport, on the urgent issue of the Sudanese Shipping Lines submitted by some members of parliament. The statement was criticized by some of those who brought the issue up, MP's Kamal al-Din Muhammad 'Abdallah and Mahjub Mustafa. At the suggestion of MP 'Abd al-Basit Sabdarat the parliament then decided to turn both the statement and the rebuttal over to the administrative review committee for study and preparation of a detailed report to the parliament. The minister presented a detailed historical account of the Sudanese Shipping Lines since its founding in accordance with an agreement between the Sudan and Yugoslavia in 1960, its registration, and the beginning of its operations in 1961 under the 1925 corporation law. He covered the purchase of Yugoslavia's shares by the Sudan, the removal of the assistant minister of finance as chairman of the board, and the company's taking on of its merchant character as it operated with the necessary flexibility. He told how the chairman of the board was selected, and the Sudan's shares--a total of 500, of which one was registered to the Bank of the Sudan--were transferred into his name. Article 53 of the company's charter was amended to give the minister the power to select half the members of the board of directors while the other half would be selected by the shareholders. Then his excellency objected to the stages through which the schedules of conditions of service for company workers had passed until a final draft of the conditions of service was finally drawn up for the workers on land and sea, becoming effective in March 1980. He said that they enjoy unparalleled privileges inasmuch as they are at the level of shareholders.

His excellency emphasized his firm belief that the workers should be represented on boards of directors, and pointed out that this was done in all of his ministry's organizations and agencies with the exception of the Sudanese Shipping Lines. Membership on the board of directors of this organization is based on merit and personal qualifications, not on the concept that anyone is entitled to membership. He also emphasized that the state had opted to have the company operate on a purely

commercial basis. It guaranteed it freedom of movement and total independence in its operations. He pointed out the necessity of keeping the company untainted by any governmental or political attributes with regard to those who do business with it.

The minister explained that the decisions of the board of directors were submitted to the minister for review, and that it was not customary for him to interfere other than to offer advice and to see that they were within the public interest according to the corporation law. He said that this independence along with the support and efforts of its dutiful workers enabled the company to achieve great success. Its profits multiplied through the years, overcoming all obstacles and competition. Its operating fleet increased by more than 125 percent, thereby accomplishing its development plan ahead of schedule. It began with capital of 400,000 pounds which rose to more than 150 million pounds.

His excellency reviewed the company's difficulties which recently began to increase, through letters and reports he received from workers, some of which were opposed to the director general and others to the chairman of the board. Then a disagreement arose between the chairman of the board and the director general, and privileges and deprivation of powers entered into the picture. This resulted in a decision by the chairman of the board to transfer the director general to Khartoum and appoint a new director. Then the director general began to hold meetings on the subject of what he called his "arbitrary" transfer. Letters were received from workers' organizations, some of which called for the reinstatement of the director general, while others expressed objections to the defamation of the chairman of the board. He said that he had decided to intervene swiftly against this threat to the company because of the deterioration of administrative relations. He held a broad ranging meeting and gave an opportunity to both sides to express their views. The director general presented serious charges against the chairman of the board which led to a criminal investigation. He decided to present the matter to the highest quarters along with recommendations. He said that it was his belief that the steps he had taken were the reason for the workers' confidence. However, he was surprised and pained when he was informed by a company security officer that the local branch labor organization and the unions had decided to go on strike on 25 January 1981. He sent a telegram to the deputy mayor of the municipality to inform the workers that he had taken administrative matters into his own hands, that he considered this strike illegal, and that he would take whatever measures were necessary for the good of the country and the company. On 25 January 1981 he received a letter from the workers announcing that they would go out on strike and would not return to work until their demands were met. These demands consisted of dissolving the board of directors, investigating the charges that had been brought against the chairman, annulling the board's decisions enacted after 1 January 1981, and worker representation on the board.

The minister said that there were no precedents for such demands--syndicalism, to say nothing of a political role for a local branch labor organization. They even went so far as to go out on a wildcat strike. This is not allowed by law or custom, and in the long run the masses were the ones who suffered. He said that the matter was brought to the attention of the first vice president, who urged the workers to return to work to protect the greater interests. He issued resolutions which dealt with the basic problem, and emphasized that they would put a halt to

anything that tended to poison the work atmosphere in this vitally important facility. He said that the workers returned to work on 12 February 1981 after a work stoppage which lasted about 18 days.

His excellency explained that six new ships, with a total load capacity of 75,000 tons, had been purchased. The board of directors had approved the bid which had been won by Yugoslavia because it met the specifications at the lowest price. He said that a Danish company had offered to build us two ships to load containers by means of a conveyor belt. The board had accepted the offer, and through intensive efforts the Danish government agreed to consider 12.5 percent of the value of the two ships as a grant. He also explained that five old ships had been sold because they could not compete with modern ships, and because the high costs of maintenance and the [high] insurance rates on them made selling them mandatory. He pointed out that ports prohibit the entry of ships more than 15 years old. He said that in view of the fact that international ship selling is done only through brokers, several of them had submitted offers, and the best was accepted. He indicated that he had already made a comprehensive study of the matter, and had issued a decision to transfer ownership according to the dictates of the law. The minister announced that both of the issues of the deputies, and the accusation about the company's finances abroad, will be the subject of a thorough investigation. At the close of his statement his excellency called on the parliament to assess the legality of the strike and determine the responsibility of those who are to blame for it and for the huge financial losses which the country suffered and the harm to the company's reputation. The parliament called for a thorough study of the illegal strikes which have recently become a serious phenomenon. He explained that these strikes have caused huge financial losses. He said that he would calculate these losses and would bring them to the attention of the secretary general of the parliament to present them to the committees concerned with assessing and discussing them.

In his rebuttal Mr Kamal al-Din Muhammad 'Abdallah said that if anyone were to carefully scrutinize the company's situation and listen to what the workers are saying about it, he would find himself supporting their demands, because of their lack of confidence in the board of directors, their lack of participation on the board, and the disregard shown for their demands. He said that it was the workers' duty and legitimate right under the customs of the revolution to demand the dissolution of the board of directors if its performance becomes unsatisfactory. It is also their right to demand an investigation into the accusations. He said that at a meeting he had with them in Port Sudan the workers' representatives in the company had explained that the board's decisions which they demanded be annulled had no validity outside the company, and that following the transfer of the director general to Khartoum there was an administrative vacuum. He emphasized that it was essential to have worker representation on the board of directors because that is one of the most basic principles of the revolution in participation. He noted the lack of understanding and cooperation of certain leaders, and their disregard of this important principle. He commended those leaders who were completely in step with this fundamental principle. He called for an examination of the files on the sale of the old ships, pointing out that one of the ships that had been sold was operating well in non-Sudanese hands, and that one of the ships had been sold as scrap for 750,000 pounds when in fact the scrap value of a

ship of that tonnage was more than a million pounds. He also pointed out that the agents had been authorized abroad without providing guarantees. The responsibility must be determined. He said that he did not support the strike because it should be rejected and was contrary to revolutionary principles.

He said that the workers' strike at the company was the result of grievances, the refusal of the officials to listen to their demands, their disregard of their memoranda, and their loss of confidence in their administration. He said that despite the fact that the banks had been founded in accordance with the corporation law, and handle millions of pounds, bank workers participate in corporate decision making to the point that worker participation in policy formulation and management has become an essential ingredient of their success.

Mr Mahjub Mustafa called for conducting a thorough investigation of the company, and a reexamination of how the company's shares came to be registered in the name of the chairman of the board. He said that the strike by the company's employees was not political or motivated by self interest, noting that they had rejected the decision to apply a job reorganization, and considered acceptance of the new conditions of service a bribe. He noted that the board of directors had serious doubts about the ability of the Sudanese workers compared with foreigners, and pointed out that certain positions had not yet been Sudanized and that all of the company's funds were abroad. He said that the chairman of the board had tried to establish a similar private shipping company.

9123
CSO: 4802

BRIEFS

BIGGER COTTON CROP ACHIEVED--An increase in raw cotton production during the current agricultural season has been achieved. The increase amounted to 13,500 tons valued at approximately 30 million Syrian pounds. Raw cotton production from one hectare amounted to 2,378 kilograms during the current season; in the past season it was 2,276 kilograms. This means that there was an increase of 102 kilograms of raw cotton production per hectare. The director of the Cotton Office in Aleppo, Dr Muhammad 'Ali al-Dayri announced upon his return two days ago from Damascus, where he had attended the meetings of the Supreme Agricultural Council that is chaired by the prime minister, that the state was giving the white gold the attention that was its due as an economic national resource. The council discussed the subject of developing and increasing cotton production after announcing the purchase prices for raw cotton from the farmers who produce it. This season these prices amounted to 325 piasters per kilogram instead of the 225 piasters per kilogram last year. This is a 45 percent increase over last season. Dr al-Dayri said that the rewarding purchase price set by the state for the raw cotton will have a major effect on the cultivation of cotton in the country. It will be an incentive for fellow farmers to increase the areas cultivated with cotton in coming seasons, and it will contribute to increasing cotton production and providing the necessary care and service for the next cotton season. [Text] [Damascus TISHRIN in Arabic 11 Feb 81 p 2] 8592

CSO: 4802

OMAN REPORTS SOUTH YEMEN INCURSION

Saudi Arabia ARAB NEWS in English 28 Mar 81 p 4

[Text]

BAHRAIN, March 27 (R) — Oman has accused South Yemeni forces of firing at an Omani aircraft and at an army patrol during a number of border incursions last month, the official Oman news agency reported.

Quoting a government statement Wednesday night, the agency said Thursday, the firing incidents were followed by the massing of Yemeni troops on the border with Oman. The statement accused the Soviet Union, East Germany and Cuba of supporting the moves.

"Oman took no retaliatory action to avoid aggravation of the situation or escalation of these acts of aggression," the statement said. But the government had lodged a strong protest with the Arab League and informed the envoys of Arab governments in the Gulf and the Arabian peninsula, it added. Oman has no diplomatic ties with South Yemen.

The statement said that in one of six incursions last month five Yemeni vehicles armed with automatic weapons penetrated 11 kms into Omani territory. A fence round a border checkpoint was torn down and an Omani vehicle stolen.

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21 April 1981